

INSTRUMENT OF INCORPORATION

of

STANDARD LIFE INVESTMENT COMPANY III

**(an Investment Company with Variable Capital)
Registered by the Financial Conduct Authority**

(incorporated on 14 July 2010)

As amended by resolution of the ACD dated 9 January 2017 which took effect on
10 January 2017

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1. INTERPRETATION

1.1 In this Instrument the words and expressions set out in the first column below shall have the meanings set opposite them unless the context requires otherwise. Words and expressions contained in this Instrument but not defined herein shall have the same meanings as in the Act or the Regulations (as defined below) unless the contrary is stated.

accumulation shares	shares (of whatever class) in the Company in respect of which income allocated thereto is credited periodically to capital pursuant to the FCA Rules net of any tax deducted or accounted for by the Company
ACD	the authorised corporate director holding office and AIFM appointed to the Company as such from time to time pursuant to the Regulations
Act	the Financial Services and Markets Act 2000
AIF	an alternative investment fund as defined in the AIFM Regulations
AIFM	the person appointed from time to time pursuant to the Regulations to act as the alternative investment fund manager of the Company
AIFMD	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, including any subordinate regulations or guidance published thereunder
AIFM Regulations	the Alternative Investment Fund Managers Regulations 2013
base currency	the currency in which the accounts of the Company are to be prepared in accordance with clause 11 provided that in the context of a sub-fund or the price of a share relating to a sub-fund or a payment in respect of such a share, reference to base currency shall be treated as a reference to the currency stated in the Prospectus as

	being the currency to be used for the purpose in question in relation to that sub-fund
chief executive	the chief executive of the ACD holding office as such from time to time
class meeting	a class meeting (as defined for the purposes of the FCA Rules) which is not a sub-fund meeting
class	a particular class of shares relating to a single sub-fund or in the Company and listed in Part 1 of the Schedule to this Instrument
Company	Standard Life Investment Company III
Depositary	the person appointed from time to time, to whom is entrusted the safekeeping of all the scheme property of the Company (other than certain scheme property designated by the FCA Rules) and who is responsible for monitoring the Company's cash flows and certain other specified oversight responsibilities and who has been appointed for these purposes in accordance with the Regulations
Depositary Agreement	the written agreement or deed entered into between the Depositary, the Company and the ACD to appoint the Depositary and to reflect the requirements of the Regulations (including, but not limited to, Article 83 of the Level 2 Regulation)
Directors	subject to clause 30.3, the directors of the Company for the time being (including the ACD) or, as the case may be, the directors assembled as a board including any committee of such board
the FCA Rules	the rules contained in the Investment Funds Sourcebook (or FUND) and the Collective Investment Schemes Sourcebook (or COLL) published by the Financial Conduct Authority as part of their Handbook of rules made under the Act which shall, for the

avoidance of doubt, not include guidance or evidential provisions contained in the said sourcebook

FATCA:	means provisions commonly known as the US Foreign Account Tax Compliance provisions enacted by the US Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010 (as amended, consolidated or supplemented from time to time), including any regulations issued pursuant thereto including, where relevant, in the United Kingdom
gross paying shares	accumulation or income shares (of whatever class) in the Company in respect of which income allocated thereto is credited periodically to capital (in the case of accumulation shares) or distributed periodically to the holders thereof (in the case of income shares) but, in either case, in accordance with relevant tax law without any tax being deducted or accounted for by the Company
income shares	shares (of whatever class) in the Company in respect of which income allocated thereto is distributed periodically to the holders thereof pursuant to the FCA Rules net of any tax deducted or accounted for by the Company
in writing	includes printed, lithographic, photographic, telex, facsimile, electronic mail and any other form of transmission as enables the recipient to know and to record the time of receipt and to preserve a legible copy of such transmission except where the context specifically requires otherwise or partly in one such form and partly in another
this Instrument	this instrument of incorporation, including the Schedule to this Instrument, as amended from time to time
Level 2 Regulation	European Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012 supplementing AIFMD

Net Asset Value	the value of the scheme property of the Company (or, where the context requires, such part of the scheme property of the Company as is attributable to a particular sub-fund or class) less all the liabilities of the Company (or such liabilities of the Company as are attributable to that sub-fund or class as the case may be) determined in each case in accordance with this Instrument
net paying shares	accumulation or income shares (of whatever class) in the Company and in respect of which income allocated thereto is credited periodically to capital (in the case of accumulation shares) or distributed periodically to the holders thereof (in the case of income shares) in either case in accordance with relevant tax law net of any tax deducted or accounted for by the Company
OEIC Regulations	The Open-Ended Investment Companies Regulations 2001
ordinary resolution	a resolution of the Company in general meeting or of a sub-fund meeting or class meeting (as the case may be) passed by a simple majority of the votes validly cast (whether on a show of hands or on a poll) for and against the resolution at such meeting
participating issuer	the meaning ascribed thereto in the Uncertificated Securities Regulations 2001
participating security	the meaning ascribed thereto in the Uncertificated Securities Regulations 2001
the PRA Rules	the rules contained in the Prudential Regulation Authority's Handbook of rules made under the Act which shall, for the avoidance of doubt, not include guidance or evidential provisions contained in the said handbook
the Prospectus	the prospectus and any supplemental addenda of the Company as amended from time to time

the Regulations	as the context requires may be a reference to: <ul style="list-style-type: none"> a) the Act; b) the FCA Rules; c) the PRA Rules; d) AIFMD; e) the Level 2 Regulation; f) the AIFM Regulations; or g) the OEIC Regulations.
signed	includes signed by way of a signature or representation of a signature affixed by photographic or mechanical means
sub-fund	a sub-fund of the Company that is pooled separately
sub-fund meeting	a class meeting (as defined for the purposes of the FCA Rules) which is a separate meeting of the holders of shares relating to a single sub-fund
US	the United States of America (including any states thereof and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction
US Person	a person who falls within the definition of "US Person" as defined in rule 902 in regulation S of the United States Securities Act 1933 and/or a person falling within the definition of a "Specified US Person" for the purposes of FATCA as the context requires.

1.2 Any reference in this Instrument to any statute, statutory provision or regulation shall be construed as including a reference to any modification, amendment, extension, replacement or re-enactment thereof for the time being in force.

- 1.3 In this Instrument, words denoting the singular shall include the plural and vice versa. Words denoting one gender only shall include all genders. Words denoting persons shall include companies or associations or unincorporated bodies of persons.
- 1.4 In this Instrument, the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative.
- 1.5 The word “company” shall (unless the contrary intention is expressed) mean a body corporate including a company within the meaning of the FCA Rules.
- 1.6 Any reference in this Instrument to shares being issued “in respect of” or “relating to” a sub-fund shall be construed as a reference to shares issued by the Company which give the holder thereof rights for the time being to participate in that part of the scheme property comprising the sub-fund in question and the entitlement, subject to this Instrument and the Regulations, to exchange those rights for rights to participate in that part of the scheme property comprising any other sub-fund of the Company (save to the extent that the provisions of the Prospectus limit the issue of shares in any such other sub-fund).
- 1.7 The headings used in this Instrument are for convenience only, do not form part of, and shall not affect the construction of, this Instrument.
- 1.8 Any reference in this Instrument to:
- 1.8.1 clauses shall (unless the contrary intention is expressed) be construed as a reference to clauses of this Instrument; and
- 1.8.2 more than one Director, Directors in the plural or to a board or committee of Directors shall, during such time as the ACD is the sole Director, be read and construed as a reference to the ACD in its capacity as ACD.

2. **CONSTITUTION**

- 2.1 The head office of the Company is situated in Scotland.
- 2.2 The Company is an open-ended investment company with variable share capital.
- 2.3 The assets of a sub-fund belong exclusively to that sub-fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other sub-fund, and shall not be available for any such purpose.

- 2.4 The shareholders are not liable for the debts of the Company. A shareholder is not liable to make any further payment after he has paid the price of his shares in the Company and no further liability can be imposed on him in respect of the shares which he holds.
- 2.5 The scheme property of the Company is entrusted to a depositary for safekeeping (in accordance with and subject to any exceptions permitted by the FCA Rules).
- 2.6 Charges or expenses of the Company may be taken out of the scheme property.

3. **NAME**

The name of the Company is Standard Life Investment Company III.

4. **DURATION OF THE COMPANY**

The Company is not to be wound up after the expiry of a particular period of time and shall continue in existence until otherwise wound up in accordance with the FCA Rules.

5. **OBJECT**

The object of the Company is to invest the scheme property in transferable securities, money market instruments, deposits, derivative instruments, forward transactions, units and shares in collective investment schemes, cash and near-cash, immoveables and gold in accordance with the FCA Rules applicable to the Company and each sub-fund according to the type of authorisation of the Company as stated in Clause 6 below with the aim of spreading investment risk and giving its shareholders the benefit of the results of the management of that property.

6. **TYPE OF SCHEME**

The Company is a non-UCITS retail scheme for the purposes of the FCA Rules which is structured as an umbrella company for the purposes of the OEIC Regulations and shareholders are entitled to exchange rights in one sub-fund for rights in another in accordance with this Instrument. The Company is also an AIF for the purposes of the Regulations.

7. DEPOSITARY

- 7.1 The ACD shall appoint a Depositary in relation to the Company in order to comply with the requirements of the Regulations and shall enter into a Depositary Agreement to effect the appointment.

8. DISCHARGE OF DEPOSITARY'S LIABILITY

- 8.1 To the extent permitted by Regulation 32(2) of the AIFM Regulations, the ACD may authorise the Depositary, to discharge itself of liability under Regulation 30(2) of the AIFM Regulations, provided that Regulation 32(2) of the AIFM Regulations is complied with.

9. INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

- 9.1 Subject to and in accordance with the Regulations, the Company may invest in units or shares of one or more collective investment schemes.
- 9.2 Subject to and in accordance with the Regulations, the Company may invest in units or shares of one or more collective investment schemes which are managed or operated by (or, in the case of ICVCs (as defined for the purposes of the FCA Rules) which companies incorporated under the OEIC Regulations have as their authorised corporate director) the ACD or an associate of the ACD provided certain of the provisions of the FCA Rules are complied with.

10. ELIGIBLE MARKETS

- 10.1 Subject to any restrictions in the FCA Rules or this Instrument, the Company has the power to invest in any securities market or deal on any derivatives market:-
- 10.1.1 which is an eligible securities or eligible derivatives market under the FCA Rules; or
- 10.1.2 to the extent that the power to do so is conferred by the FCA Rules irrespective of any issue of eligibility.
- 10.2 The ACD may after consultation with and notification to the Depositary, in accordance with the FCA Rules, choose which securities markets and derivatives markets are appropriate for the purpose of investment of, or dealing in, the scheme property. Any such market will be an eligible market for the purposes of the FCA Rules and a list of such markets will be included in the Prospectus.

11. **BASE CURRENCY**

- 11.1 The accounts of the Company shall be prepared in sterling or such other currency or currencies as may be the lawful currency of Scotland from time to time.
- 11.2 In the event of the Euro being adopted as the only lawful currency of Scotland, the base currency of the Company will automatically convert to the Euro.

12. **SHARE CAPITAL AND CLASSES OF SHARES**

- 12.1 The capital of the Company shall be represented by shares of no par value and shall at all times be equal to the Net Asset Value of the Company in base currency.
- 12.2 The minimum capital of the Company shall be £1.00 and the maximum capital shall be £50,000,000,000.
- 12.3 The Company may issue one or more of such classes of shares (in respect of such sub-funds) as are set out in Part 1 of the Schedule to this Instrument. The rights attaching to each class of shares shall be as set out in this Instrument, the Prospectus and the Regulations and in accordance with the Regulations. The rights attaching to shares, or to a class of share, relating to a sub-fund, shall not be varied except with the sanction of an ordinary resolution passed at a sub-fund meeting or a class meeting of the holders concerned, subject always to the Regulations.
- 12.4 The Directors may by resolution from time to time create classes of shares in respect of a sub-fund additional to those set out in Part 1 of the Schedule to this Instrument. On the creation of any new class a new Part 1 of the Schedule to this Instrument showing the new class and the rights attaching to it (as well as those of the other extant classes) shall be substituted for the previous Part 1 and form part of this Instrument to the exclusion of the previous part.
- 12.5 The special rights attaching to shares, or a class of share, relating to a sub-fund shall (unless otherwise expressly provided by the conditions of issue of such shares) be deemed not to be varied by:
- 12.5.1 the creation, allotment or issue of further shares of any class ranking *pari passu* therewith;
- 12.5.2 the exchanging of shares of any class for shares of another class (whether or not the classes relate to the same sub-fund or different sub-funds);

- 12.5.3 the creation, allotment, issue or redemption of shares of another class relating to the same sub-fund, provided that the interests of that other class in the sub-fund represent fairly the financial contributions and benefits of the shareholders of that class;
 - 12.5.4 the creation, allotment, issue or redemption of shares relating to another sub-fund;
 - 12.5.5 exercise by the Directors of their powers under clauses 16.1, 16.2 or 16.4; or
 - 12.5.6 the passing of any resolution at a meeting of holders of shares relating to another sub-fund which does not relate to the sub-fund in which the class is interested.
- 12.6 The Company may at any time at its discretion become a participating issuer and the Directors may in their discretion determine that any classes of shares may be participating securities.
- 12.7 Where a class is denominated in a currency which is not the base currency, distributions paid on shares on that class shall, in accordance with the FCA Rules, be in the currency of that class. Statements of amounts of money or values included in statements and in tax certificates shall also be given in the currency of that class (whether or not also given in the base currency).
- 12.8 Votes at meetings of the sub-fund of which a class forms part shall be determined in accordance with the proportionate interests in the sub-fund ascertained in accordance with Part 4 of the Schedule to this Instrument and the FCA Rules.
- 12.9 Where for any purpose not specifically covered by the Regulations or this Instrument it is necessary to convert one currency into another, conversions shall be made at a rate of exchange decided by the ACD as being a rate that is not likely to result in any material prejudice to the interests of shareholders or potential shareholders.

13. ISSUE AND CANCELLATION OF SHARES IN THE COMPANY

The ACD will issue or cancel shares in the Company by making a record of the issue or cancellation of such shares and the number of shares in each class concerned. Subject to and in accordance with the FCA Rules, the issue or cancellation of shares may take place through the Company directly.

14. **IN SPECIE ISSUE AND CANCELLATION**

The Depositary may take into or pay out of the scheme property assets other than cash as payment for the issue or cancellation of shares but only if the Depositary has taken reasonable care to ensure that receipt or payment out of the property concerned would not be likely to result in any material prejudice to the interests of shareholders of the Company.

15. **SALE AND REDEMPTION**

15.1. In accordance with the Regulations, the arrangements for the sale and redemption of shares in the Company are as set out in the Prospectus. The restrictions that apply in relation to the sale and redemption of shares are as set out in the Prospectus and the Schedule to this Instrument.

15.2 In times of high volumes of redemptions, to protect the interests of shareholders, the ACD may, in respect of any sub-fund specified in the Prospectus, defer redemptions at a particular valuation point to the next valuation point where requested redemptions exceed 10% of the sub-fund's value.

16. **SUB-FUNDS**

16.1 Subject to the FCA Rules, all consideration received for the account of the Company for the issue of shares in respect of a sub-fund together with the investments in which such consideration is invested or reinvested, and all income, earnings, profits and proceeds thereof and liabilities and expenses relating thereto, shall be pooled and kept separate from all other monies, investments, assets, liabilities and expenses of the Company and the following provisions shall apply to each sub-fund:

16.1.1 for each sub-fund the Company shall keep books in which all transactions relating to the relevant sub-fund shall be separately recorded and the assets of, and the liabilities, income and expenditure attributable to, that sub-fund shall be applied or charged to such sub-fund subject to the provisions of this clause;

16.1.2 any asset derived from any other asset (whether cash or otherwise) comprised in any sub-fund shall be applied in the books of the Company to the same sub-fund as the asset from which it was derived and any increase or diminution in the value of such asset shall be applied to the relevant sub-fund;

- 16.1.3 each sub-fund shall be charged with the liabilities, expenses, costs and charges of the Company in respect of or attributable to that sub-fund; and
- 16.1.4 any assets, liabilities, expenses, costs or charges which are not attributable to one sub-fund only shall be allocated in accordance with the FCA Rules, and may from time to time be reallocated by the Directors provided that such reallocation shall be done in a manner which is fair to the shareholders of the Company generally.
- 16.2 Any sub-fund may be terminated, subject to and in accordance with the Regulations, by the Directors in their absolute discretion if:
- 16.2.1 one year from the date of the first issue of shares relating to that sub-fund or at any date thereafter the Net Asset Value of the sub-fund is less than £10,000,000 or its equivalent in the base currency of the sub-fund;
- 16.2.2 any termination event specified in respect of a sub-fund in Part 2 of the Schedule to this Instrument occurs; or
- 16.2.3 the Directors agree that it is desirable to terminate the sub-fund.
- This is without prejudice to any provision in the Regulations by virtue of which a sub-fund may be terminated in other circumstances.
- 16.3 The sub-funds of the Company for the time being constituted and their respective investment objectives are set out in Part 2 of the Schedule to this Instrument. The type of scheme to which each sub-fund would belong, if it were itself an open-ended investment company with variable capital in respect of which an authorisation order made by the Financial Conduct Authority were in force, is also specified in Part 2 of the Schedule to this Instrument.
- 16.4 The Directors may by resolution from time to time create such additional sub-fund or sub-funds with such investment objectives and such restrictions as to geographic area, economic sector, monetary zone, category of asset or otherwise, and denominated in such currencies, as the Directors shall from time to time determine. On creation of any such sub-fund or sub-funds a new Part 2 of the Schedule to this Instrument including the specified details of the new sub-fund or sub-funds (as well as those of the other extant sub-funds) shall be substituted for the previous one and shall form part of this Instrument to the exclusion of the previous one.

17. VALUATION AND PRICING

- 17.1 The Net Asset Value of the Company and each sub-fund shall be determined in accordance with the FCA Rules and, subject thereto, in accordance with Part 3 of the Schedule to this Instrument. Subject to the FCA Rules and in the absence of bad faith, negligence or manifest error, such determination by the ACD shall be definitive. The basis for the pricing of any shares issued by the Company shall be forward pricing only in accordance with the FCA Rules.
- 17.2 The ACD will inform shareholders by such durable medium that it shall at its discretion determine, or by means of its webpages (having regard at all times to the identity and information needs of the shareholders and the Regulations) the valuations and calculations of the value of the scheme property determined in accordance with Part 3 of the Schedule to this Instrument.

18. EXCHANGE OF SHARES ETC

- 18.1 Subject to the provisions of this Instrument and the Prospectus any shareholder may give notice to the Company in such form as the Directors may from time to time determine (an **exchange notice**) of his desire to exchange all or some of his shares of one class issued in respect of any sub-fund (the **original shares**) for shares of another class issued in respect of the same sub-fund or for shares of any class issued in respect of a different sub-fund (the **new shares**).
- 18.2 Upon receipt by the Company of an exchange notice, the ACD shall arrange for the Company to cancel (or, at its discretion, the ACD shall itself redeem) the original shares and issue (or, at its discretion, the ACD shall sell) to the shareholder such number of new shares as is arrived at by reference to clause 18.6 provided that, so far as the Regulations allow and subject to clause 18.3 the Directors may impose such restrictions as to the classes for which exchange may be effected and may make exchange subject to such charge as they shall determine.
- 18.3 Where an exchange notice relates to a desired exchange of shares between classes issued in respect of different sub-funds, the Directors shall not impose restrictions as to the classes of new shares for which exchange may be effected unless the provisions of the Prospectus limit the issue of units or impose a minimum size of holding or dealing in such other share classes in respect of such different sub-funds or otherwise there are reasonable grounds relating to the circumstances of the shareholder concerned for refusing to issue or sell shares of a particular class to him.

- 18.4 Exchange pursuant to this clause 18 of the original shares specified in an exchange notice shall take place at the first valuation point after the time at which the exchange notice is received or deemed to have been received by the Company or at such other valuation point as the Directors at the request of the shareholder giving the relevant exchange notice may determine. Where the exchange is between shares of sub-funds that have different valuation points the cancellation or redemption of the original shares shall take place at the next valuation point of the sub-fund to which the original shares relate following receipt (or deemed receipt) of the exchange notice by the Company and the issue or sale of new shares shall take place at the next subsequent valuation point of the sub-fund to which the new shares relate.
- 18.5 For the purposes of this clause and for the avoidance of doubt, the ACD shall be construed as the shareholder of all shares (other than bearer shares) in the Company which are in issue and in respect of which no other person's name is entered on the register of shareholders.
- 18.6 Subject to clauses 18.4, 18.7 and 18.12 the Directors shall determine the number of new shares to be issued or sold to the shareholder on an exchange in accordance with the following formula:

$$N = \frac{O \times RP \times (1-SC)}{SP}$$

where:

- N is the number of new shares to be issued or sold, rounded down to the nearest whole number of smaller denomination shares.
- O is the number of original shares which the holder has requested to exchange.
- RP is the price at which a single original share may be cancelled or redeemed as at the valuation point applicable to the cancellation or redemption as the case may be.
- SC is a charge made by the ACD when switching between different sub-funds or between different share classes within the same sub-fund. The charge will not exceed any excess of the amount of the initial charge that would be applicable to a sale of the shares being acquired (by reference to the current initial charge stated in the most recently published prospectus) over the sum of the initial charge actually paid on the original acquisition of the shares

being redeemed and any switching charge previously incurred. This charge may be waived at the discretion of the ACD.

SP is the price at which a single new share may be issued or sold as at the valuation point applicable to the cancellation or redemption as the case may be (or, where the exchange is between sub-funds which have different valuation points, as at the valuation point applicable to the issue or sale as the case may be).

Where an exchange is effected by the cancellation of shares in respect of one sub-fund (the **old sub-fund**) and the issue of shares in respect of another (the **new sub-fund**), the ACD shall arrange for the transfer of cash and/or (subject to the Regulations) other assets from the old sub-fund to the new sub-fund having a value equal to the aggregate price of the original shares determined as provided in the preceding provisions and after any such adjustment as is provided in clauses 18.7 and 18.12.

18.7 The Directors may adjust the number of new shares to be issued or sold in accordance with clause 18.6 and/or the value of the cash and/or other assets to be transferred pursuant to clause 18.6 to reflect any charges (other than that referred to as "SC" in clause 18.6) or levies in respect of the issue or sale of the new shares or cancellation or redemption of the original shares as may be made without infringement of the Regulations.

18.8 Where an exchange of shares would, if effected in accordance with the terms of any exchange notice, result in a shareholder holding less than the permitted minimum holding (by number or value) of either original shares or new shares as set out in the Prospectus from time to time, then the Directors may (at their discretion) decide either to:

18.8.1 treat the shareholder in question as having served an exchange notice in respect of their entire holding of original shares; or

18.8.2 refuse to give effect to the exchange notice in question.

18.9 For the avoidance of doubt:

18.9.1 each exchange notice shall relate only to the exchange of shares of a single class; and

18.9.2 an exchange notice may be given as much in respect of a desired exchange of shares between classes issued in respect of different sub-funds as an exchange of shares between different classes issued in respect of the same sub-fund.

18.10 When:

18.10.1 the holder of any shares in a sub-fund or of a particular class relating to a sub-fund fails or ceases for whatever reason to be entitled to hold shares of that sub-fund or that class; or

18.10.2 the holder of any gross paying shares fails or ceases for whatever reason to be entitled to receive distributions or have allocations made in respect of his holding of such shares without deduction of United Kingdom tax;

he shall, without delay, give notice thereof to the Company and the Company shall, upon receipt of such notice, treat the shareholder concerned as if he had served on the Company an exchange notice or notices pursuant to clause 18.1 requesting exchange of all such shares owned by such holder for shares (which in the case of 18.10.2 above shall be net paying shares) of the class or classes (available for issue at that time) which, in the opinion of the Directors, most nearly equates or equate to the class or classes of shares previously held by that shareholder and the provisions of clauses 18.1 to 18.9 inclusive shall be applied accordingly.

18.11 If at any time the Company or the Directors becomes aware that:

18.11.1 the holder of any shares in a sub-fund or of a particular class relating to a sub-fund has failed or ceased for whatever reason to be entitled to hold shares of that sub-fund or that class; or

18.11.2 the holder of any gross paying shares has failed or ceased for whatever reason to be entitled to receive distributions or have allocations made in respect of his holding of such shares without deduction of United Kingdom tax;

then the Company shall, without delay, treat the shareholder concerned as if he had served on the Company an exchange notice or notices pursuant to clause 18.1 requesting exchange of all such shares owned by such holder for shares (which in the case of 18.11.2 above shall be net paying shares) of the class or classes (available for issue at that time) which, in the opinion of the Directors, most nearly equates or equate to the class or classes of shares previously held by that

shareholder and the provisions of clauses 18.1 to 18.9 inclusive shall be applied accordingly.

- 18.12 An amount equal to any tax charge incurred by the Company or for which the Company may be held liable as a result of an exchange pursuant to clause 18.1, 18.10 or 18.11 shall be recoverable from the shareholder concerned and may be accounted for in any adjustment made of the number of new shares to be issued pursuant to clause 18.6 and/or the value of the cash and/or other assets to be transferred pursuant to clause 18.6.
- 18.13 If at any time the ACD is not entitled to receive distributions or have income allocations made in respect of shares held by it without deduction of United Kingdom tax and has redeemed any gross paying shares pursuant to the FCA Rules, the ACD shall forthwith following such redemption arrange for the Company to cancel any such gross paying shares or (at its discretion) the ACD shall forthwith sell such gross paying shares to a person who is (or appears to the ACD to be) entitled to hold the same.
- 18.14 The ACD may refuse to give effect to an exchange, whether of all or part, of a holding of shares of any class in any case where it would be entitled by the Regulations to refuse to give effect to a request by the shareholder for the redemption or cancellation of the original shares or the issue of the new shares. This includes, without limitation, where the shares are limited issue shares.

19. **RESTRICTIONS ON HOLDING OF SHARES**

- 19.1 The ACD may from time to time take such action and impose such restrictions as it thinks necessary for the purpose of ensuring that no shares in the Company are acquired or held by any person in circumstances (**relevant circumstances**):
- 19.1.1 which constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- 19.1.2 which would require the Company, the ACD or an investment adviser to be registered under any law or regulation of any country or territory or cause the Company to apply for registration or comply with any registration requirements in respect of any of its shares whether in the US or any other jurisdiction in which it is not currently registered; or

19.1.3 which would (or would if other shares were acquired or held in like circumstances) result in the Company, its shareholders, the ACD and/or any investment adviser appointed from time to time incurring any liability to taxation or suffering any legal, regulatory, pecuniary, administrative or any other adverse consequence (including, but not limited to, a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or

19.1.4 where such person is a US Person or is holding shares for the account or benefit of a US Person; or

19.1.5 where such person refuses or otherwise does not timeously provide information reasonably requested by the Company or the ACD in order to comply with any tax reporting regime (including, but not limited to, FATCA),

and, in this connection, the ACD may, inter alia, compulsorily redeem shares held by such person or reject at its discretion any subscription for, or sale or transfer of, shares or any exchange notice given pursuant to clause 18.1.

For the purposes of the “relevant circumstances” above, “investment adviser” shall include any person appointed by the ACD and/or the Company to provide investment management and/or investment advisory services in respect of the scheme property of the Company.

19.2 If it comes to the notice of the Directors that any shares (**affected shares**) have been acquired or are being held in each case whether beneficially or otherwise in any of the relevant circumstances referred to in clause 19.1 or if they reasonably believe this to be the case, the ACD may give notice to the holder of the affected shares requiring (a) the transfer of such shares to a person who is qualified or entitled to own the same, (b) the exchange, if possible, of the affected shares for other shares in the Company the holding of which would not fall within any of the relevant circumstances referred to in clause 19.1 or (c) that the holder give a request in writing for the redemption or cancellation of such shares in accordance with the FCA Rules. If any person upon whom such a notice is served pursuant to this clause does not within thirty days after the date of such notice transfer his affected shares to a person qualified to hold the same, exchange his affected shares for other shares in the Company the holding of which would not fall within any of the relevant circumstances referred to in clause 19.1 or give such request as aforesaid or establish to the satisfaction of the ACD (whose judgement shall be final and binding) that he and any person on whose behalf he holds the affected shares are qualified and entitled to

hold the affected shares, he shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of the affected shares pursuant to the FCA Rules.

- 19.3 A person who becomes aware that he has acquired or holds shares whether beneficially or otherwise (**affected shares**) in any of the relevant circumstances referred to in clause 19.1 shall forthwith, unless he has already received a notice pursuant to clause 19.2, either transfer or procure the transfer of all the affected shares to a person qualified to own the same or, where possible, exchange his affected shares for other shares in the Company the holding of which would not fall within any of the relevant circumstances referred to in clause 19.1 or give a request in writing or procure that a request is so given for the redemption or cancellation (at the discretion of the ACD) of all the affected shares pursuant to the FCA Rules.
- 19.4 When the holder of any shares in any share class fails or ceases for whatever reason to be entitled to receive distributions or have allocations made in respect of his holding of shares in a manner, in terms of the Company making or not making any deduction of United Kingdom tax prior to the distribution or allocation to the holder, as is envisaged for such share class, he shall, without delay, give notice thereof to the Company and the Company shall, upon receipt of such notice, treat the shareholder concerned as if he had served on the Company an exchange notice or notices pursuant to clause 18.1 requesting exchange of all of the relevant shares owned by such holder for shares of the class or classes of shares in the Company which, in the opinion of the Directors, such holder is entitled to hold and most nearly equate to the class or classes of shares being exchanged by that shareholder and the provisions of clauses 18.1 to 18.9 inclusive shall be applied accordingly.
- 19.5 If at any time the Company or the Directors become aware that the holder of any shares, that make or intend to make distributions or allocations without any tax being deducted or accounted for by the Company, has failed or ceased for whatever reason to be entitled to receive distributions or have allocations made in respect of his holding of such shares without deduction of United Kingdom tax, then the Company shall, without delay, treat the shareholder concerned as if he had served on the Company an exchange notice or notices pursuant to clause 18.1 requesting exchange of all of the relevant shares owned by such holder for shares of the class or classes which, in the opinion of the Directors, such holder is entitled to hold and most nearly equate to the class or classes of shares held by that shareholder and the provisions of clauses 18.1 to 18.9 inclusive shall be applied accordingly.

19.6 An amount equal to any tax charge incurred by the Company or for which the Company may be held liable as a result of an exchange pursuant to clause 18.1 shall be recoverable from the shareholder concerned and may be accounted for in any adjustment made of the number of new shares to be issued pursuant to clause 18.6.

19.7 If at any time the ACD is not entitled to receive distributions or have income allocations made in respect of shares held by it without deduction of United Kingdom tax and has redeemed, pursuant to the FCA Rules, any shares that make distributions or allocations without any tax being deducted or accounted for by the Company, the ACD shall forthwith following such redemption arrange for the Company to cancel any such shares or (at its discretion) the ACD shall forthwith sell such shares to a person who is (or appears to the ACD to be) entitled to hold the same.

20. **DESIGNATED PERSON**

The person designated for the purposes of paragraph 4 of Schedule 4 to the OEIC Regulations shall be the person who is for the time being the ACD of the Company.

21. **THE REGISTER**

Subject to the Regulations, the ACD (whether or not the registrar) or the registrar on the ACD's behalf may impose a charge for the account of the ACD on the person requesting its issue for issuing any document relating to (including any document evidencing title to shares), or for recording an entry on, the register of shareholders (otherwise than on the purchase, sale, issue or cancellation of shares).

22. **BEARER SHARES AND SHARE CERTIFICATES**

22.1 The Company may issue bearer shares evidenced by a share certificate (**bearer share certificate**) in respect of any class of shares. The Company may further provide by coupons or otherwise for the payment of distributions in respect of bearer shares. Any instrument or similar duty payable in respect of the issue of bearer shares shall be payable by (or recoverable from) the shareholder to whom they are issued and not by the Company.

22.2 Certificates in respect of bearer shares shall be issued in respect of such number of bearer shares and subject to such conditions as the Directors from time to time decide. In particular, the Directors shall prescribe:

- 22.2.1 the form of bearer share certificate to be used and the method of authentication thereof;
- 22.2.2 the conditions on which the bearer share certificate or any coupon or similar document which has been lost, worn out or destroyed will be renewed or replaced; and
- 22.2.3 the manner in which the holder of a bearer share shall be entitled to receive notice of and vote at any general meeting of the Company, sub-fund meeting or class meeting,

and such terms shall be printed on the reverse of the bearer share certificate.

- 22.3 Title to shares other than bearer shares (**registered shares**) shall be evidenced by an entry in the register of shareholders, and the Company shall not issue certificates to holders of registered shares but, in such case, a statement of shareholding (**periodic statement**) in respect of shares for which no certificates are to be issued shall be sent to each holder of such shares at least once a year in such form as the ACD may decide. A periodic statement shall not constitute a document of title to the shares to which it refers. If a shareholder requires evidence of title to registered shares, the Company will, upon such proof of identity as it shall consider appropriate, supply that shareholder with a written statement providing details of the shareholder's holding of registered shares. Subject to the Regulations, the ACD (whether or not the registrar) or the registrar on the ACD's behalf may impose a charge for the account of the ACD for the supply of such statement.
- 22.4 Where a holder of registered shares of a class which may be issued in bearer form requests in writing to the Company that his name be removed from the register in respect of some or all of those shares then the ACD may at its discretion:
 - 22.4.1 issue to him one or more bearer share certificates in exchange for such evidence of identity as the ACD may require to be produced; and
 - 22.4.2 remove the name of the holder from the register in respect of the relevant shares.
- 22.5 Where a holder of bearer shares requests in writing to the Company that his name be entered in the register of shareholders in respect of some or all of those shares, the Company shall, upon surrender to the Company of the bearer share certificate(s) representing title to those shares together with all outstanding coupons, if any, relating thereto for cancellation, enter the name of that holder in the register of

shareholders in respect of those shares. The Company shall not be responsible for any loss incurred by any person upon the surrender of a bearer share certificate by reason of the Company entering in the register of shareholders the name of any person who is not the true and lawful owner of the bearer share(s) represented thereby.

22.6 The ACD may, at its discretion, decline to give effect to a request for the redemption or exchange of bearer shares unless it is accompanied by the bearer share certificate(s) representing title to such shares, together with all outstanding coupons, if any, relating thereto and may, at its discretion, impose a charge payable for the account of the ACD to cover the costs of complying with any such request as is mentioned in the two preceding clauses, the amount of such charge to be determined by the ACD in any event.

22.7 The Company shall not be responsible for any loss incurred by any person by reason of the Company giving effect to a request for the redemption or exchange of bearer shares and, in the case of redemption, paying the proceeds of such redemption to the person so requesting and, in the case of exchange, issuing new shares to the person so requesting.

23. **DENOMINATION OF SHARES**

The rights attaching to the shares of all classes may be expressed in two denominations and, in each of those classes, the proportion of a larger denomination share represented by a smaller denomination share shall be one thousandth of the larger denomination share.

24. **TRANSFER AND TRANSMISSION OF SHARES**

24.1 All transfers of registered shares (not being participating securities) shall be effected by transfer in writing in any usual or common form or in any other form as may be approved by the Directors together and shall be lodged with the Company for registration accompanied by such evidence as the Company may lawfully require of the right of the transferor to transfer the shares. The Directors shall not be bound to enquire as to the genuineness of any signature of an instrument of transfer. The transferor shall remain the holder of the shares concerned until such time as the name of the transferee is entered in the register in respect thereof.

24.2 No instrument of transfer may be given in respect of more than one class of shares.

- 24.3 In the case of a transfer to joint holders, the number of joint holders to whom a share is to be transferred may not exceed four.
- 24.4 No transfer shall be registered if it would give rise to a breach of any of the restrictions referred to in clause 19.1.
- 24.5 Unless the ACD in its discretion decides otherwise, no transfer may result in either the transferor or the transferee holding fewer shares of the class concerned, or shares of such class having a lesser aggregate value, than any number or value stated in the Prospectus as the minimum number or value of shares of that class which may be held.
- 24.6 The Company may refuse to register a transfer of shares unless the Directors are satisfied that there has been paid for the account of the Company such amount as may be determined by the ACD but not exceeding the amount that would be derived by applying the rate of stamp duty reserve tax to the market value of the shares being transferred at the time of the transfer. This clause shall not apply to any transfer in relation to which the Directors are satisfied that a charge to stamp duty reserve tax is not applicable.
- 24.7 Any person becoming entitled to a share or shares in consequence of the death or bankruptcy of a shareholder or otherwise by operation of law may, subject as provided below and upon such evidence being produced as may from time to time be lawfully required by the Directors as to his entitlement, either be registered himself as the holder of the share or shares, or elect to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered, he shall signify his election by signing and delivering or sending to the Company an instrument of transfer of such share or shares in favour of his nominee.
- 24.8 All the limitations, restrictions and provisions of this Instrument relating to the right to transfer and the registration of transfers of shares shall be applicable to any notice, election or instrument of transfer given or made pursuant to clause 24.7 or 24.9 as if the death or bankruptcy of the shareholder or other event giving rise to the transmission had not occurred and the notice or instrument of transfer were an instrument of transfer signed by that shareholder.
- 24.9 A person becoming entitled to a share or shares in consequence of the death or bankruptcy of a shareholder or otherwise by operation of law shall (upon such

evidence being produced as may from time to time be lawfully required by the Directors as to his entitlement) be entitled to receive and may give a discharge for any income distributions or other monies payable in respect of the share or shares, but he shall not be entitled in respect of the same to receive notices of or to attend or vote at general meetings of the Company or sub-fund meetings or class meetings nor, save as stated above, to exercise in respect of the same any of the rights or privileges of a shareholder until he shall have become registered as the holder thereof. The ACD may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share or shares in question and if the notice is not complied with within sixty days the ACD may then withhold payment of any income distributions and other monies payable in respect of the same until the requirements of the notice have been complied with.

25. **GENERAL MEETINGS**

All general meetings shall be called Extraordinary General Meetings.

26. **PROCEEDINGS AT GENERAL MEETINGS**

26.1 The provisions of this Instrument which relate to proceedings at meetings of the Company shall apply mutatis mutandis to sub-fund meetings and class meetings as they apply to general meetings.

26.2 Prior to each general meeting, a Director (other than the ACD or an associate of the ACD) shall nominate an individual to act as chairman. If no such nomination is made (or there is no such Director) the Depositary shall nominate an individual to act as chairman. If that individual is not present within fifteen minutes (which shall be deemed to be a reasonable time) after the time fixed for the start of the meeting or is not willing and able to act, the shareholders present must choose one of their number to be chairman of the meeting.

26.3 No business may be transacted at a general meeting unless a quorum is present. The absence of a quorum does not prevent the appointment of a chairman in accordance with this Instrument, which shall not be treated as part of the business of the meeting. The quorum required to conduct business at a general meeting is two shareholders, present in person or by proxy.

26.4 If a quorum is not present within fifteen minutes (which shall be deemed to be a reasonable time) after the time fixed for the start of the meeting or if there is no longer a quorum present at any time during the meeting, the meeting, if convened on

the requisition of members, is dissolved. In any other case it stands adjourned to such other day and time (being not less than seven nor more than 28 days after the day and time for the meeting) and place as the chairman decides. If at an adjourned meeting under this clause 26.4 a quorum is not present within fifteen minutes (which shall be deemed to be a reasonable time) after the time fixed for the start of the meeting, one person entitled to be counted in a quorum shall constitute a quorum and if there is no such person the meeting is dissolved.

- 26.5 The chairman of any general meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or without date) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned without agreement as to the date, the date, time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or without date, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.
- 26.6 Subject to clause 26.5 above, in the case of an adjournment of a meeting at which a quorum is present it shall not be necessary to give any notice of such an adjournment or of the business to be transacted at the adjourned meeting.
- 26.7 A meeting of shareholders or a sub-fund meeting or a class meeting (as the case may be) duly convened and held shall have the power, by the passing of the appropriate resolution, to decide any matter (including, without limitation, the suspension or curtailment of the powers of the Directors), subject to the Regulations and (in the case of sub-fund meetings and class meetings) subject also to any rights in relation to that matter which shareholders of other sub-funds or classes may have.
- 26.8 The Depositary shall be entitled to appoint a representative to attend and speak on its behalf at each general meeting, sub-fund meeting and class meeting and shall be entitled to convene such a meeting.
- 26.9 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:
- 26.9.1 the chairman of the meeting;
- 26.9.2 not less than two shareholders; or

26.9.3 the Depositary.

The chairman must exercise his power to demand a poll if requested to do so by the ACD.

- 26.10 A demand for a poll may be withdrawn only with the approval of the chairman of the meeting. Unless a poll is required, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book or other record of proceedings, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such a manner (including the use of ballot papers or electronic or computer voting systems) as the chairman of the meeting may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and, if so directed by the meeting, shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
- 26.11 A poll demanded on the choice of the chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place and in such manner (including by post) as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.
- 26.12 The chairman of a general meeting may take any action (including, without prejudice to the foregoing generality, adjourning the meeting to another time or place without the consent of the meeting) he considers appropriate for, for example, the safety of people attending a general meeting, the proper and orderly conduct of the general meeting or in order to reflect the wishes of the majority. He may, for example, require any people to prove who they are, carry out security searches, and stop certain things being taken into the meeting. The chairman may refuse to allow any person into a meeting, or may arrange for any person who refuses to comply with any requirements imposed under this clause to be removed from the meeting. The Directors may arrange for any people whom they consider cannot be seated in the main meeting room (where the chairman will be) to attend and take part in a general meeting in an overflow room or rooms. Any overflow room will have a live video link from the main room, and a two-way sound link. The notice of the meeting need not give details of any arrangements under this clause. The Directors may decide how to

divide people between the main room and any overflow room. If any overflow room is used, the meeting will be treated as being held, and taking place, in the main room.

27. VOTING RIGHTS

27.1 The entitlement to vote at any general meeting of the Company, sub-fund meeting or class meeting and the voting rights attaching to each share is in accordance with the FCA Rules.

27.2 Where a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that regard to exercise powers with respect to the property or affairs of any shareholder on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such shareholder to vote on a poll in person or by proxy at any general meeting, sub-fund meeting or class meeting or to exercise any right other than the right to vote on a show of hands conferred by ownership of shares in relation to such meetings.

27.3 No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

28. PROXIES

28.1 An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:

28.1.1 in the case of an individual shall be signed by the appointor or his attorney;
and

28.1.2 in the case of a body corporate shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the body corporate.

28.2 The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration

with the Company) be lodged with the instrument appointing the proxy pursuant to the next following clause, failing which the instrument may be treated as invalid.

28.3 An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for the purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the head office of the Company) by the time which is forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used and, in default, may be treated as invalid. The instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

28.4 A vote cast by proxy shall not be invalidated by the previous death or bankruptcy or incapacity of the principal or by other transmission by operation of law of the title to the shares concerned or by the revocation of the appointment of the proxy or of the authority under which the appointment of the proxy was made provided that no intimation in writing of such death, bankruptcy, incapacity, transmission or revocation shall have been received by the Company at the head office by the time which is two hours before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

29. **BODIES CORPORATE ACTING BY REPRESENTATIVES**

29.1 Any body corporate which is a shareholder of the Company may by resolution of the directors or other governing body of such body corporate and in respect of any share or shares in the Company of which it is the holder authorise such individual as it thinks fit to act as its representative at any general meeting of the Company or at any sub-fund meeting or class meeting. The individual so authorised shall be entitled to exercise the same powers on behalf of such body corporate as the body corporate could exercise in respect of such share or shares if it were an individual shareholder of the Company and such body corporate shall for the purposes of this Instrument be deemed to be present in person at any such meeting if an individual so authorised is so present. A body corporate which holds shares as nominee for more than one person may appoint more than one such representative, each in respect of a specified number of the shares which the body corporate holds, and each such

representative shall be entitled to exercise such powers as aforesaid only in respect of the shares concerned.

29.2 Any body corporate which is a Director of the Company or which is the Depositary may by resolution of its directors or other governing body authorise such individual as it thinks fit to act as its representative at any general meeting of the Company, sub-fund meeting, class meeting or (but only in the case of a body corporate which is a Director of the Company) at any meeting of the Directors. The person so authorised shall be entitled to exercise the same powers at such meeting on behalf of such body corporate as the body corporate could exercise if it were an individual and such body corporate shall be deemed for the purposes of this Instrument to be present in person at any such meeting if an individual so authorised is so present.

30. **DIRECTORS**

30.1 Except as otherwise prescribed by the Regulations, the business of the Company shall be managed by the Directors. They may pay all expenses incurred in forming and registering the Company and may exercise all powers of the Company (whether relating to the management of the business of the Company or otherwise) which are not required by the Regulations or this Instrument to be exercised by any other person or by the Company in general meeting. The general powers given by this clause shall not be limited or restricted by any special authority or power given to the Directors by any other clause in this Instrument or by any resolution of the Company and a meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors.

30.2 The maximum number of Directors may be prescribed by the Directors, and unless and until otherwise prescribed, shall be twenty.

30.3 If, and for so long as, the ACD is the sole Director of the Company, the ACD shall have authority to exercise all the powers, authorities and discretions expressed in this Instrument to be vested in the Directors generally.

30.4 If, and for so long as, there is no ACD acting in respect of the Company, the Directors shall (subject to the FCA Rules), have authority to exercise all the powers, authorities and discretions expressed in this Instrument to be vested in the ACD.

30.5 A Director is not required to hold any shares in the Company by way of qualification.

30.6 A Director is entitled to attend and speak at any general meeting, at any sub-fund meeting and at any class meeting.

- 30.7 The Directors may from time to time appoint one or more of their number to be the holder of any office (including, where considered appropriate, the office of Chairman or Deputy Chairman) on such terms and for such period as they may determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment. The ACD may perform such executive functions as are required or permitted by the Regulations and shall enter into a contract of service with the Company governing the terms on which it will perform such functions.
- 30.8 The appointment of any Director to any office (including that of Chairman and Deputy Chairman) shall automatically end if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.
- 30.9 No resolution made by the Company in a general meeting or by the holders of the shares of any sub-fund or any class at a sub-fund meeting or class meeting shall invalidate any prior act of the Directors which would have been valid if such resolution had not been made.
- 30.10 Subject to the FCA Rules, the Directors may appoint agents and delegate any of the powers, authorities and discretions vested in or exercisable by them, with or without the power to sub-delegate. Any appointment or delegation, made by the Directors in accordance with the FCA Rules may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any such appointee, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected by their doing so.
- 30.11 Subject to the FCA Rules, the Directors may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under this Instrument) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

31. REMUNERATION OF THE ACD AND OTHER DIRECTORS

- 31.1 The ACD and any other Directors shall be entitled to remuneration for their services as Directors. Such remuneration shall (unless otherwise determined by the Directors) be deemed to accrue from day to day and the amount of such remuneration shall (subject to the FCA Rules) be determined by the Directors.
- 31.2 Any Director who holds any office including that of ACD (and including for this purpose the office of Chairman or Deputy Chairman, or who serves on any committee of the Directors, or who otherwise performs services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director), may (subject to the FCA Rules) be paid such extra remuneration by way of fees, salary, commission or otherwise as the Directors may determine.
- 31.3 The Directors may (subject to the FCA Rules) be paid by the Company all travelling, hotel and other expenses properly incurred by them (or, being a body corporate, by their duly authorised representative(s)) in connection with their attendance at and return from meetings of the Directors, committees of the Directors, general meetings of the Company, sub-fund meetings, class meetings or otherwise in connection with the business of the Company.
- 31.4 The ACD may (subject to the FCA Rules) be paid or reimbursed by the Company its remuneration and expenses as provided in the Prospectus.

32. MEETINGS AND PROCEEDINGS OF DIRECTORS

- 32.1 Clauses 32.2 to 32.11 inclusive shall not apply at any time when the ACD is the sole Director of the Company and any decision which is required by the Regulations or this Instrument to be taken by the Directors shall, if and for so long as the ACD is the sole Director, be valid and effective if made by the ACD.
- 32.2 Subject to the provisions of this Instrument, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 32.3 The Directors may at their discretion decide to hold meetings at regular intervals in which event no notice of a meeting shall be required provided that all Directors shall have received at a meeting or through the post or otherwise a written statement of the intended dates of future meetings (including the meeting in question) over such period as may be deemed appropriate.

- 32.4 A special meeting of Directors may be convened by the chief executive, and shall be convened if so required by the Chairman or Deputy Chairman for the time being or by any two or more Directors.
- 32.5 Such special meeting shall be convened by notice in writing (which need not specify the business to be considered thereat) and if such notice is given by post it shall be posted at least three clear working days before the time appointed for the meeting.
- 32.6 It shall not be necessary to give notice of a meeting of Directors to any Director who is at the time of giving notice believed to be absent from the United Kingdom unless such Director has requested the Directors that notices be sent to an address given by him to the Company for the purpose, and any notice sent in writing to such address shall be deemed to be duly given to such Director.
- 32.7 The Directors may elect a Chairman of their meetings and a Deputy Chairman to act in the absence of the Chairman, and may determine the period for which each is to hold office; but if no such Chairman or Deputy Chairman is elected, or if at any meeting the Chairman or Deputy Chairman is not present within five minutes of the time appointed for holding the meeting, the Directors present may elect one of their own number to be Chairman of that meeting.
- 32.8 Two or more Directors present at a duly convened meeting of Directors shall be a quorum unless the Directors fix any other number.
- 32.9 Any Director or member of a committee of Directors may participate in a meeting of the Directors or of such committee by means of video-conferencing, conference telephone or similar communications equipment whereby all persons participating in the meeting can hear and speak to each other, and participation in a meeting in this manner shall be deemed to constitute presence of such Director or member of a committee of Directors at such meeting.
- 32.10 Questions arising at any meeting of the Directors shall be decided by a majority of votes except where under the FCA Rules a different majority is provided for. In the case of an equality of votes, the Chairman of the meeting shall have a casting vote in addition to any deliberative vote.
- 32.11 A resolution in writing signed by all the Directors entitled to receive notice of a meeting of the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held and may consist of several documents in the like form each signed by one or more of the Directors.

32.12 Subject to the FCA Rules all acts done by Directors or by a committee of Directors or by any person acting as a Director or as a member of a committee of Directors shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of such Directors or members of a committee of Directors or any such person acting as a Director or as a member of a committee of Directors or in the formality of their proceedings or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and qualified and such proceedings had been regular.

33. **INTERESTS OF DIRECTORS**

33.1 Subject to the Regulations and to clauses 33.2, 33.3 and 33.4 a Director may be party to, or in any way interested in, any contract or arrangement or transaction to which the Company is a party, or in which the Company is in any way interested, and he may hold and be remunerated in respect of any office or place of profit (other than the office of auditor of the Company) under the Company or any other company in which the Company is in any way interested (or any firm of which he is a member) and may act in a professional capacity for the Company or any such other company and be remunerated therefor and in any such case as aforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof. Subject to the Regulations no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit. The ACD may deal as principal in the Company's shares.

33.2 Subject to clause 33.3, any interest of a kind referred to in the last preceding clause of this Instrument must be declared by the Director who is so interested at the meeting of the Directors at which the question of entering into the contract or arrangement or transaction is first taken into consideration. A general notice in writing given to the Directors by any Director to the effect that he is a shareholder, director, employee of, or might for any other reason be regarded as having an interest in relation to, any specified company or firm, and is to be regarded as interested in any contract or arrangement or transaction which may thereafter be made with that company or firm, shall (if such Director shall give the same at a meeting of the Directors or shall take reasonable steps to secure that the same is brought up and read at the next meeting of the Directors after it is given) be deemed a sufficient declaration of interest in relation to any contract or arrangement or transaction made or entered into.

- 33.3 If and for so long as the ACD is the sole Director of the Company the last preceding clause of this Instrument shall have no effect and, in such event, any interest of a kind referred to in clause 33.1 must be properly recorded and minuted by the ACD as soon as practicable after it becomes so interested. Nothing in this clause shall absolve the ACD from its fiduciary duty to act in the best interests of the Company as a whole.
- 33.4 Notwithstanding the provisions of clause 33.1, but subject to clause 33.5, a Director shall not vote at a meeting of the Directors (or of a committee of the Directors) on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company unless his interest or duty arises only because the case falls within one or more of the following sub-clauses:
- 33.4.1 any proposal concerning the terms of the appointment or re-appointment of a Director as the ACD, or any ratification of the terms of such appointment or re-appointment;
- 33.4.2 any proposal concerning the terms of the appointment or re-appointment of a Director who is an associate of the ACD, or any ratification of the terms of such appointment or re-appointment;
- 33.4.3 any proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise howsoever provided that he is not the holder of or beneficially interested in one per cent or more of the issued shares of any class of such company (or of any third company of which such company is a subsidiary) or of the voting rights available to members of the relevant company (any such interest being deemed for the purposes of this clause to be a material interest in all circumstances); or
- 33.4.4 any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for the benefit of and against any liability incurred by any Director(s) or persons who include or may include any Director(s).
- 33.5 If, and for so long as, the ACD is the sole Director of the Company or at any meeting of the Directors at which the terms of the appointment or re-appointment of the ACD are considered, there is no quorum of Directors present and entitled to vote, the last preceding clause shall have no effect and (for the avoidance of doubt) the ACD shall,

subject to the Regulations, be entitled at its own discretion to determine the terms of its appointment or re-appointment as such with the Company notwithstanding its interests therein, which terms shall be set out in writing in a service contract between the ACD and the Company.

- 33.6 A Director may be counted in the quorum at a meeting of the Directors or committee of the Directors in relation to any resolution on which he is debarred from voting.
- 33.7 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under clause 33.4) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- 33.8 If any question shall arise at any time as to the materiality of any interest of a Director (other than the Chairman of the meeting in question) or as to the entitlement of any such Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting such question shall be referred to the Chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of such Director has not been fully and fairly disclosed.
- 33.9 If any question shall arise at any time as to the materiality of the interest of the Chairman of the meeting in question or as to the entitlement of such person to vote or be counted in a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be decided by resolution of the Directors or a committee of the Directors (excluding the Chairman) whose majority vote shall be final and conclusive.
- 33.10 The Company may by ordinary resolution suspend or relax any provision of this Instrument prohibiting a Director from voting at a meeting of Directors (or of a committee of Directors) or ratify any transaction not duly authorised by reason of a contravention of this Instrument.

34. MINUTES OF DIRECTORS' MEETINGS

- 34.1 The Directors shall cause minutes or other records to be made and kept in permanent form:

- 34.1.1 of all appointments of officers made by the Directors;
- 34.1.2 of all proceedings at meetings of the Company, sub-fund meetings, class meetings and at meetings of the Directors and committees of Directors, including the names of the Directors present at each such meeting; and
- 34.1.3 of all resolutions made by the ACD otherwise than at a meeting and all other matters required by this Instrument to be formally recorded by the ACD;

and any such minutes or records, if purported to be signed by the Chairman of the relevant meeting (or executed by the ACD where the ACD is the sole Director of the Company and in any event where 34.1.3 applies) shall be prima facie evidence of the matters stated in such minutes or records without any further proof.

35. APPOINTMENT, REMOVAL AND RETIREMENT OF DIRECTORS

- 35.1 The Directors shall have power, at any time and from time to time, to appoint any person to be a Director of the Company, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the maximum number, if any, fixed by or pursuant to this Instrument. Any such appointment shall take effect only upon the satisfaction of either of the conditions appearing in Regulation 21(3) of the OEIC Regulations and shall have no effect unless and until either of such conditions shall have been satisfied.
- 35.2 No person (other than the ACD or a person nominated by the Directors) shall be eligible for election to the office of Director at any general meeting unless, not less than fourteen and not more than forty-two days before the date appointed for the meeting, notice in writing has been left at the head office, signed by a member duly qualified to attend and vote at such meeting, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected.
- 35.3 A single resolution for the appointment of two or more persons as Directors shall not be put at any general meeting, unless a resolution that it shall be so put has first been agreed to by the meeting without any vote being given against it.
- 35.4 Subject to the provisions of the FCA Rules and Regulation 21 of the OEIC Regulations and notwithstanding any other provision of this Instrument, a Director shall vacate his office in any of the following events, namely:

- 35.4.1 if, not being a Director who is employed under a contract which precludes resignation, he resigns his office by notice in writing signed by him or on his behalf and left at the head office of the Company; or
 - 35.4.2 if he becomes prohibited by law or regulation (including any provision of the Regulations) from acting as a Director (or, being the ACD, as ACD); or
 - 35.4.3 if he becomes bankrupt, has an interim receiving order made against him or compounds with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act or, if, being a body corporate, a receiver or liquidator is appointed other than for the purpose of reconstruction or amalgamation in respect of the Director or a resolution is passed to wind up the Director or if an administrator or administrative receiver is appointed over all or any part of the Director's assets; or
 - 35.4.4 if an order is made anywhere in the world by any court claiming jurisdiction in that behalf on the ground (howsoever formulated) of mental disorder, for his detention or for the appointment of a guardian or receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs; or
 - 35.4.5 if he is absent from meetings of the Directors (or of committees of Directors) continuously for six months without leave of absence of the Directors and the other Directors resolve that his office be vacated; or
 - 35.4.6 upon the expiry of any period or notice period stated in an agreement for the provision of services between the Company and the Director or if such agreement is summarily terminated in accordance with its terms.
- 35.5 The Company may by ordinary resolution remove any Director before the expiration of his period of office notwithstanding anything in this Instrument or in any agreement between the Company and such Director. Such removal shall take effect only upon the satisfaction of either of the conditions appearing in Regulation 21(3) of the OEIC Regulations and shall be without prejudice to any claim such Director may have for damages for breach of any such agreement. For the purposes of this clause:
- 35.5.1 Notice of the intention to move such a resolution must be given to the Company at least 28 days before the meeting at which it is moved;

35.5.2 The Company shall give notice to shareholders of any such resolution at the same time and in the same manner as it gives notice of the meeting or, if that is not practicable, shall give them notice by advertisement in a newspaper having an appropriate circulation at least 14 days before the meeting;

35.5.3 If, after a notice of the intention to move such a resolution has been given to the Company, a meeting is called for a date 28 days or less after the notice has been given, the notice is deemed properly given, though not given within the time required; and

35.5.4 A vacancy created by the removal of a Director under this clause, if not filled at the meeting at which he is removed, may be filled as a casual vacancy.

36. **AMENDMENTS**

Amendment may be made to this Instrument by resolution of the Directors to the extent permitted by the FCA Rules.

37. **INCOME EQUALISATION**

37.1 Except where the ACD determines otherwise at its discretion, the following clause shall apply in respect of the classes of shares in issue in respect of the sub-funds indicated in Part 2 of the Schedule to this Instrument.

37.2 An allocation of income (whether annual or interim) to be made in respect of each share to which this clause applies issued by the Company or sold by the ACD during the period in respect of which that allocation of income is to be made:

37.2.1 shall, in the case of net paying shares and gross paying shares (where the latter are priced gross), be of the same amount as the allocation to be made in respect of the other shares of the same class issued in respect of the same sub-fund but shall include a capital sum (**income equalisation**) representing the ACD's best estimate of the amount of income included in the price of that share and calculated in accordance with the following clause; or

37.2.2 may, in the case of gross paying shares (which are not priced gross), be a lower amount than that allocated in respect of the other shares of the same class issued in respect of the same sub-fund as the proportion of the

allocation attributable to income equalisation will have no associated tax amount that may be included in the allocation.

37.3 The amount of income equalisation in respect of any share to which clause 37.2 applies shall be either:

37.3.1 the actual amount of income included in the issue price of that share; or

37.3.2 an amount arrived at by taking the aggregate of the amounts of income included in the price in respect of all shares of that class issued or sold in the period in question and dividing that aggregate amount by the number of such shares and applying the resultant average to each of the shares in question.

38. RIGHTS IN SCHEME PROPERTY

38.1 Subject to clause 37.2 and 38.2, the interests of the holders of a share shall consist of an undivided unit of entitlement in that part of the scheme property as is comprised in the sub-fund in question and each smaller denomination share, if any, shall represent such proportion of a unit of entitlement as a smaller denomination share bears to a larger denomination share in accordance with clause 23 of this Instrument.

38.2 Subject to clause 38.3, the provisions of Part 4 of the Schedule to this Instrument shall apply to each allocation of income made in respect of any sub-fund and to calculate the entitlement of each shareholder to participate in the scheme property of the sub-fund at a time when more than one class of share is in issue in respect of that sub-fund.

38.3 The Company may adopt a method of calculating the amount of income to be allocated between the shares in issue (or the shares in issue in respect of any sub-fund) which is different to that which appears in Part 4 of the Schedule to this Instrument provided that the Directors are satisfied that such method is fair to shareholders and that it is reasonable to adopt such method in the given circumstances.

39. INCOME AND DISTRIBUTIONS

39.1 Part 1 of the Schedule to this Instrument and the Prospectus shall set out the basis for the distribution or re-investment of income in respect of any class of shares in issue for any sub-fund.

- 39.2 Any distribution or other monies payable to a holder in respect of any bearer share may be paid by crossed cheque, warrant or money order made payable to the order of, or as directed by, the person who has identified himself in the manner determined from time to time by the ACD as the person entitled to that payment and may be sent by post to such address as that person shall have directed in writing.
- 39.3 Any distribution or other monies payable on or in respect of a registered share may be paid by crossed cheque, warrant or money order and may be remitted by post to the registered address of the shareholder or person entitled to such monies (or, if two or more persons are registered as joint holders of the share or are entitled by virtue of the death or bankruptcy of the holder or otherwise by operation of law, to the registered address of any one of such persons) or to such person and to such address as the shareholder(s) or other such person or persons (the **relevant person**) may direct in writing.
- 39.4 Any distribution or other monies may also be paid by any other usual or common banking method (including, without limitation, direct credit, bank transfer and electronic funds transfer or (in the case of shares which are participating securities) payment through the facilities of a relevant system, as defined by the Uncertificated Securities Regulations 2001) (each such method being hereinafter referred to as a **bank transfer**), subject to any conditions which the ACD may impose, and to or through such person or such persons as the relevant person may direct in writing.
- 39.5 Every such cheque, warrant or order shall be made payable to the person to whom it is sent or to such person as the holder or the joint holders or relevant person may direct in writing and the payment of such cheque, warrant or order or the transfer by way of bank transfer by the bank so instructed by the Company shall be a good discharge to the Company. The Company shall not be responsible for any loss of any cheque, warrant or order or for any error or delay in bank transfer which in each case shall be sent or transferred at the risk of the person or persons entitled to the money represented thereby.
- 39.6 If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder or otherwise by operation of law, any one of them may give an effectual receipt for any distribution or other monies payable or property distributable on or in respect of the share.
- 39.7 No distribution or other monies payable on or in respect of a share shall bear interest against the Company.

- 39.8 All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the relevant sub-fund of the Company. The payment of any unclaimed distribution, interest or other sum payable by the Company on or in respect of a share into a separate account shall not constitute the Company a trustee thereof.
- 39.9 Without prejudice to the foregoing, if three successive distributions in respect of the same class of net income shares or gross income shares remain unclaimed by any shareholder then the ACD may treat that shareholder as if he has served upon the Company an exchange notice pursuant to clause 18.1 requesting exchange of all of his shares of that class for shares of the class of net accumulation shares or gross accumulation shares (if any) which, in the opinion of the ACD, most nearly equates to the class held by that shareholder and the provisions of clauses 18.1 to 18.9 inclusive shall be applied accordingly and the number of new shares to be issued pursuant to these provisions shall be adjusted so as to take account of the amounts of the three distributions in question.

40. **CHEQUES ETC**

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

41. **CHARGES AND EXPENSES**

- 41.1 Subject to the FCA Rules the expenses of the incorporation and authorisation of any sub-fund, any offer of shares and the preparation and printing of any prospectus issued in connection with any such offer and the fees for professional services provided to the Company in connection with such offer will be borne by the Company (unless borne by some other person) and the Directors may at their discretion, subject to the FCA Rules, seek reimbursement from the Company in one or more tranches out of the scheme property of all or such part as they may determine of such expenses, fees and costs.
- 41.2 All charges and expenses incurred in the ongoing operation of the Company will be borne by the Company as and to the extent permitted by the Prospectus and the Regulations.

- 41.3 Expenses, costs, charges and liabilities which are payable out of or chargeable to the scheme property of a sub-fund shall be payable out of or chargeable to the capital property or the income property as directed in terms of the Regulations. Where, in terms of the Regulations, any expense, cost, charge or liability may be paid out of or charged to either the capital property or the income property, then the Directors shall determine which part of the scheme property it shall be paid out of or charged to, subject always to the further provisions of the Regulations.
- 41.4 Subject always to the Regulations, in the event that any expense, cost, charge or liability which would ordinarily be payable out of income property attributable to or deemed to be attributable to a class or a sub-fund cannot be so paid because there is insufficient income property available for that purpose, such expense, cost, charge or liability may be paid out of the capital property attributable to or deemed to be attributable to that class or that sub-fund. In the event that the Directors consider such an insufficiency of income property to be temporary, a temporary loan may be made from the capital property to the income property for the purpose of enabling the relevant expense, cost, charge or liability to be discharged, on the basis that such temporary loan shall be repaid to the capital property as soon as practicable.
- 41.5 In the event that any expense, cost, charge or liability which is paid out of the capital property or income property of a sub-fund is properly attributable to one or more (but not all) classes of shares in such sub-fund or is attributable to shares of different classes other than pro rata to the proportions of the value of the scheme property of such sub-fund respectively represented by the different classes of shares, the proportions of the Net Asset Value of the sub-fund represented by shares of different classes shall be adjusted in such manner as the Directors shall determine to be equitable to reflect the proper incidence of such expense, cost, charge or liability.
- 41.6 Each class of shares in a sub-fund shall be charged with the expenses, costs, charges and liabilities in respect of or attributable to that class of shares in that sub-fund and for this purpose, each class of shares in a sub-fund shall bear the remuneration of the ACD in respect of that sub-fund at the rates thereof as stated in the Prospectus to be attributable to that class of shares.

42. **DESTRUCTION OF DOCUMENTS**

- 42.1 Subject to maintaining records in accordance with the Regulations and any other applicable law, rule or regulation, the ACD or Depository or the Company may at any time destroy any records or other documentation relating to the Company including, without limitation, any payment mandate (including any variation or cancellation of it)

which ceases to have effect, any notification of change of name or address which has been recorded, any instrument of transfer of shares which has been registered and any other document on the basis of which any entry in the register of shareholders has been made or cancelled.

- 42.2 It shall conclusively be presumed in favour of the Company that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed under clause 42.1 was a valid and effective document in accordance with the recorded particulars of it in the books or records of the Company, provided always that the document was destroyed in good faith and without express notice to the Company that the preservation of the document was relevant to a claim.
- 42.3 Nothing contained in this clause shall be construed as imposing upon the Company any liability in respect of the destruction of any document in any case where the conditions of this clause are not fulfilled. References to this clause to the destruction of any document include references to its disposal in any manner.

43. **NOTICES**

- 43.1 A shareholder whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address. If he has not given such an address notices shall be given to him at his address outside the United Kingdom unless its doing so would contravene any applicable laws or regulations.
- 43.2 The provisions within the FCA Rules shall, unless the same be inconsistent with any provision of the Prospectus, be treated as applying to any notice or document to be given to the Company pursuant to this Instrument.
- 43.3 A person entitled to a share or shares in consequence of the death or bankruptcy of a shareholder or other operation of law shall, upon such evidence being produced as may from time to time be lawfully required by the Directors as to his entitlement and upon supplying also an address for the service of notices, be entitled to have served upon or delivered to him at such address any notice or document to which the shareholder but for his death, bankruptcy or other operation of law would have been entitled, and service or delivery of such notice or document in such way shall be deemed good service on all persons interested (whether jointly with or claiming through or under him) in the share. Save as aforesaid any notice or document

delivered or sent by post to or left at the address of any shareholder in accordance with the FCA Rules shall, notwithstanding the death or bankruptcy of such shareholder or other operation of law and whether or not the Company has notice of such state of affairs, be deemed to have been duly served or delivered in respect of any share registered in the name of such shareholder as sole or joint holder.

- 43.4 In the case of joint shareholders, service of a notice or document on any one is effective and sufficient service on the other joint shareholders.
- 43.5 If at any time by reason of the suspension or curtailment of postal services within the United Kingdom or any other country or territory, the Company is unable effectively to convene a general meeting, sub-fund meeting or class meeting by notices sent through the post, such a meeting may be convened by a notice advertised on the same date in at least two leading daily newspapers with appropriate circulation and such notice shall be deemed to have been duly served on all shareholders entitled to receive the same at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom or such other country or territory again becomes practicable.

44. **WINDING UP**

Subject to any special provisions in Part 1 of the Schedule to this Instrument the rights of the holders of shares to participate in the property comprised in a sub-fund on a winding up of the Company or on termination of the sub-fund shall be proportionate to the proportionate interests in the sub-fund represented by the shares which they hold, determined in accordance with Part 4 of the Schedule to this Instrument.

45. **INDEMNITY**

- 45.1 Every Director, other officer, auditor or depositary of the Company shall be indemnified by the Company against any liability incurred by him in defending any proceedings (whether civil or criminal) for negligence, default, breach of duty or breach of trust in each case in relation to the Company in which judgement is given in his favour or he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any negligence, default, breach of duty or breach of trust or in connection with any application under Regulation 63 of the OEIC Regulations in which relief is granted to him by the Court; and the indemnity shall not apply to any liability to the extent that it is recovered from another person.

45.2 Subject to the Regulations, the Directors may exercise all the powers of the Company to purchase and maintain insurance:

45.2.1 for the benefit of any person who is or was a Director, other officer or auditor of the Company (including without limitation against any liability which may attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company); and

45.2.2 for the benefit of any person who is or was the Depositary (including without limitation against any liability for any failure to exercise due care and diligence in the discharge of his functions in respect of the Company).

46. **DISCLOSURE OF INFORMATION**

The ACD shall set out from time to time in the Prospectus, or such other durable medium as it shall at its discretion determine, or by means of its webpages (having regard at all times to the identity and information needs of the shareholders and prospective shareholders and the FCA Rules) the disclosure information required by 3.2.2 R of FUND and the Level 2 Regulation.

47. **CONFLICT WITH REGULATIONS**

In the event of any conflict arising between any provision of this Instrument and the Regulations, the Regulations shall prevail to the intent that this Instrument shall be construed and shall take effect accordingly.

SCHEDULE

PART 1 SHARE CLASSES

The Company may issue the following classes of shares in respect of each sub-fund:

Retail accumulation shares

Retail income shares

Institutional accumulation shares

Institutional fixed accumulation shares

Institutional income shares

Institutional regulated accumulation shares

Institutional "A" accumulation shares

Institutional "A" income shares

Institutional "S" accumulation shares

Institutional "S" income shares

Platform 1 accumulation shares

Platform 1 income shares

Platform 2 accumulation shares

Platform 2 income shares

Platform fixed accumulation shares

Standard Life accumulation shares

Standard Life income shares

Standard Life "A" accumulation shares

Standard Life "B" accumulation shares

All of the above classes of share for each sub-fund are designated in Sterling. These may be gross or net as detailed in the Prospectus. Classes of share stated to be gross are gross paying shares.

Each sub-fund may issue one or more other share classes, which may be classified as classes between “A” and “Z” shares (inclusive), between “1” and “30” inclusive and/or “Retail”, “Institutional”, “Platform” or “Standard Life” classes, any combination of the above designations (A1, G1 or RT for example) or such other designation as the ACD may from time to time decide. Such classes may be net income shares, gross income shares, net accumulation shares and gross accumulation shares, to the extent that this would not be inconsistent with the Regulations or with any other law or regulation (including relevant tax laws), and may include hedged or unhedged versions of those classes and which are set out in the Prospectus effective at any relevant date.

Each of the classes of share in respect of each sub-fund may bear different fees, charges and expenses and have different minimum investment limits or other features as set out in the Prospectus. Shares of the same class relating to the same sub-fund rank *pari passu*.

Each sub-fund may issue gross paying shares at a future date and may issue one or more other classes of share the currency of which is designated to be other than Sterling (and in respect of which the price shall be expressed and any distribution shall be paid in that currency) at such time and upon such terms as it considers appropriate.

PART 2 SUB-FUNDS

MyFolio Managed I Fund

Investment Objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Managed II Fund

Investment Objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Managed III Fund

Investment Objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Managed IV Fund

Investment Objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Managed V Fund

Investment Objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Managed Income I Fund

Investment Objective

The Fund aims to provide an income-focused return with some capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Managed Income II Fund

Investment Objective

The Fund aims to provide an income-focused return with some capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Managed Income III Fund

Investment Objective

The Fund aims to provide an income-focused return with some capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Managed Income IV Fund

Investment Objective

The Fund aims to provide an income-focused return with some capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Managed Income V Fund

Investment Objective

The Fund aims to provide an income-focused return with some capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Market I Fund

Investment Objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Market II Fund

Investment Objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Market III Fund

Investment Objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Market IV Fund

Investment Objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Market V Fund

Investment Objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Multi-Manager I Fund

Investment Objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Multi-Manager II Fund

Investment Objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Multi-Manager III Fund

Investment Objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Multi-Manager IV Fund

Investment Objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Multi-Manager V Fund

Investment Objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Multi-Manager Income I Fund

Investment Objective

The Fund aims to provide an income-focused return with some capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Multi-Manager Income II Fund

Investment Objective

The Fund aims to provide an income-focused return with some capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Multi-Manager Income III Fund

Investment Objective

The Fund aims to provide an income-focused return with some capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Multi-Manager Income IV Fund

Investment Objective

The Fund aims to provide an income-focused return with some capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

MyFolio Multi-Manager Income V Fund

Investment Objective

The Fund aims to provide an income-focused return with some capital appreciation over the longer term.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

Enhanced-Diversification Growth Fund

Investment Objective

The Fund aims to provide a long term total return through capital appreciation and income by investing in a diversified portfolio of assets.

Intermediate Holding Vehicles

This Fund may, from time to time invest in overseas immovable property through an intermediate holding vehicle or vehicles or series of vehicles (as defined for the purposes of the FCA Rules). The purpose of such intermediate holding vehicle or vehicles or series of vehicles is to enable the holding of such overseas immoveable property by the Fund.

Income Equalisation

Except where the ACD determines otherwise at its discretion, clause 37.2 shall apply in respect of this sub-fund.

Type of Scheme

If this sub-fund were itself an open-ended investment company in respect of which an authorisation order pursuant to Regulation 14 of the OEIC Regulations were in force, it would fall within the type of a "non-UCITS retail scheme" for the purposes of the FCA Rules.

PART 3
DETERMINATION OF NET ASSET VALUE

Calculation of the Net Asset Value

The Net Asset Value of the scheme property of the Company or sub-fund (as the case may be) shall be the value of its assets less the value of its liabilities and shall be determined in accordance with the following provisions:

1. all the scheme property (including receivables) is to be included, subject to the following provisions;
2. property which is not an asset dealt with in paragraphs 3 to 5 (inclusive) below shall be valued as set out below and the prices used shall (subject as set out below) be the most recent prices which it is practicable to obtain:
 - (a) units or shares in a collective investment scheme:
 - (i) if a single price for buying and selling units or shares is quoted, at that price; or
 - (ii) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial or preliminary charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
 - (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the units or shares, at a value which, in the opinion of the ACD, is fair and reasonable;
 - (b) any other transferable security:
 - (i) if a single price for buying and selling the security is quoted, at that price; or
 - (ii) if separate buying and selling prices are quoted, at the average of the two prices; or

- (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the security, at a value which, in the opinion of the ACD, is fair and reasonable;
 - (c) property other than that described in sub-paragraphs (a) and (b) above, at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price;
- 3. cash and amounts held in current, deposit and margin accounts and in other time-related deposits shall be valued at their nominal values;
- 3A. approved money market instruments which have a residual maturity of less than three months and have no specific sensitivity to market parameters, including credit risk, shall be valued on an amortised cost basis;
- 4. exchange-traded derivative contracts:
 - (a) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
 - (b) if separate buying and selling prices are quoted, at the average of the two prices;
- 4A. over-the-counter derivative contracts shall be valued on the basis of an up-to-date market valuation which the ACD and the Depositary have agreed is reliable or if this is not available on the basis of a pricing model which the ACD and the Depositary have agreed;
- 5. immovable property shall be valued in accordance with 5.6.20 R of COLL and any valuation under the said 5.6.20 R shall have effect until the next valuation under that rule. Where the ACD, the depositary or the standing independent valuer (as defined in the glossary to the FCA Rules) have reasonable grounds to believe that the most recent valuation of an immovable does not reflect the current value of that immovable, the ACD should consult and agree with the standing independent valuer a fair and reasonable value of the immovable;
- 6. all instructions given to issue or cancel shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case;

7. subject to paragraph 8 below, agreements for the unconditional sale or purchase of property (excluding futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options) which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if they are made shortly before the valuation takes place and, in the opinion of the ACD, their omission will not materially affect the final net asset amount;
8. all agreements are to be included under paragraph 7 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement;
9. deduct an estimated amount for anticipated tax liabilities (on unrealised gains where the liabilities have accrued and are payable out of the property of the Scheme; on realised gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) at that point in time including (as applicable and without limitation) any liability for capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax;
10. deduct an estimated amount for any liabilities payable out of the scheme property and any tax thereon, for this purpose treating periodic items as accruing from day to day;
11. deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings;
12. add an estimated amount for accrued claims for tax of whatever nature which may be recoverable;
13. add any other credits or amounts due to be paid into the scheme property;
14. add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received;

15. currencies or values in currencies other than base currency of the Company or (as the case may be) the designated currency of a sub-fund shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of shareholders or potential shareholders.

In circumstances where the accuracy of the securities data supplied by the vendor employed by the ACD for such purposes is in question, or there is failure on the part of the vendor's data delivery system, the ACD's data collection system, or the communication between the two, the ACD reserves the right to make use of validated market indices for pricing purposes. This method of pricing known as Indexation would be used in the pricing of the scheme property until such time as the ACD is satisfied that the accuracy of the data received from the vendor is no longer in question, or until restoration of the relevant delivery or collection system, or the communication between the two.

PART 4

ALLOCATION OF RIGHTS TO PARTICIPATE IN THE PROPERTY OF A SUB-FUND

1. If there is more than one class in issue in respect of a sub-fund, the proportionate interests of each class in the assets and income of the sub-fund shall be ascertained as follows:
 - 1.1 A notional account shall be maintained for each class. Each account shall be referred to as a **Proportion Account**.
 - 1.2 The word “proportion” in the following paragraphs means the proportion which the balance on a Proportion Account at the relevant time bears to the balance on all the Proportion Accounts of a sub-fund at that time.
 - 1.3 There will be credited to a Proportion Account:
 - 1.3.1 the subscription money (excluding any initial charges or SDRT provision) for the issue of shares of the relevant class;
 - 1.3.2 that class's proportion of any SDRT provision paid in respect of the issue, sale and/or redemption of shares in the sub-fund;
 - 1.3.3 that class's proportion of realised and unrealised capital gains and foreign exchange gains;
 - 1.3.4 that class's proportion of the sub-fund's income received and receivable; and
 - 1.3.5 any notional tax benefit under paragraph 1.5 below.
 - 1.4 There will be debited to a Proportion Account:
 - 1.4.1 the redemption payment (including any exit charges payable to the ACD but excluding any SDRT provision) for the cancellation of shares of the relevant class;
 - 1.4.2 the class's proportion of realised and unrealised capital losses and foreign exchange losses;
 - 1.4.3 all distributions of income (including equalisation if any) made to shareholders of that class;

- 1.4.4 all costs, charges and expenses incurred solely in respect of that class;
 - 1.4.5 that class's proportion of the costs, charges and expenses incurred in respect of that class and one or more other classes in the sub-fund, but not in respect of the sub-fund as a whole;
 - 1.4.6 that class's proportion of the costs, charges and expenses incurred in respect of or attributable to the sub-fund as a whole; and
 - 1.4.7 any notional tax liability under paragraph 1.5.
- 1.5 Any tax liability in respect of the sub-fund and any tax benefit received or receivable in respect of the sub-fund will be allocated between classes in order to achieve, so far as possible, the same result as would have been achieved if each class were itself a sub-fund so as not materially to prejudice any class. The allocation will be carried out by the ACD after consultation with the Company's auditors.
 - 1.6 Where a class is denominated in a currency which is not the base currency, the balance on the Proportion Account shall be converted into the base currency in order to ascertain the proportions of all classes. Conversions between currencies shall be at a rate of exchange decided by the ACD as being a rate that is not likely to result in any material prejudice to the interests of shareholders or potential shareholders.
 - 1.7 The Proportion Accounts are notional accounts maintained for the purpose of calculating proportions. They do not represent debts from the Company to shareholders or the other way round.
2. Each credit and debit to a Proportion Account allocated on a proportionate basis shall be allocated to that account on the basis of that class's proportion immediately before the allocation. All such adjustments shall be made as are necessary to ensure that on no occasion on which the proportions are ascertained is any amount counted more than once.
 3. The proportionate interest of a class in the assets and income of a sub-fund is its "proportion".
 4. When shares are issued thereafter each such share shall represent the same proportionate interest in the property of the relevant sub-fund as each other share of the same denomination and class then in issue in respect of that sub-fund.

5. The Company shall allocate the amount available for income allocation (calculated in accordance with the FCA Rules) between the classes in issue in respect of the relevant sub-fund according to the respective proportionate interests and equally between each share of the same class in respect of the sub-fund in question.
6. The Company may adopt a different method of calculating the proportionate interests of each class in the assets and income of a sub-fund from that set out in this Part of the Schedule to this Instrument provided that the Directors are satisfied that such method is fair to shareholders and that it is reasonable to adopt such method in the given circumstances.
7. For shares of each class a smaller denomination share of that class shall represent such proportion of a larger denomination share of that class for the purposes of calculating the proportionate interests of such shares in the assets and income of a sub-fund as the proportion which a smaller denomination share bears to a larger denomination share in accordance with clause 23.