

DATED 2nd JANUARY 1986

FRAMLINGTON UNIT
MANAGEMENT LIMITED

- and -

LLOYDS BANK Plc

TRUST DEED

constituting

FRAMLINGTON EUROPEAN FUND

Solicitors for the Managers:
NORTON, ROSE, BOTTERELL & ROCHE,
Kempson House,
Camomile Street,
LONDON, EC3A 7AN.

Solicitors for the Trustee:
TURNER KENNETH BROWN,
100 Fetter Lane,
LONDON, EC4A 1DD.

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PREVENTION OF FRAUD (INVESTMENTS) ACT 1958

The Secretary of State in exercise of his powers under Section 17 of the Prevention of Fraud (Investments) Act 1958 orders and it is hereby declared that FRAMLINGTON EUROPEAN FUND, a unit trust scheme constituted by a Trust Deed dated the 2nd January 1986 and under which the Managers and Trustee respectively are FRAMLINGTON UNIT MANAGEMENT LIMITED and LLOYDS BANK Plc, is an authorised unit trust scheme for the purposes of the Act.

DATED this 7th day of January, 1986.

(Sgd) J.H.T. CREASE

For the Secretary of State for Trade and Industry

This

TRUST DEED is made on 2nd January,
1986 B E T W E E N:-

(1) FRAMLINGTON UNIT MANAGEMENT LIMITED whose registered office is at 3 London Wall Buildings, London Wall, London EC2M 5NQ as Managers.

(2) LLOYDS BANK Plc whose registered office is at 71 Lombard Street, London EC3P 3BS as Trustee.

N O W THIS DEED W I T N E S S E T H as follows:-

1. (A) IN this Deed and the Schedules unless the context otherwise requires:-

Definitions

(i) "the Trust" means the unit trust constituted by this Deed as from time to time modified, altered or added to and to be called by the name Framlington European Fund or such other name as the Trustee and the Managers may with the approval of the Secretary of State from time to time determine.

(ii) "Accounting Date" means (subject to the provisions of Clause 21(C)) 15th May in each year commencing 15th May, 1987 or (in the case of the final Accounting Period) the date on which the moneys required for the final distribution in respect of that period shall have been transferred to the Distribution Account.

(iii) "Accounting Period" means the period ending on and including an Accounting Date and commencing from the commencement of the Trust or from the end of the preceding Accounting Period (as the case may require).

(iv) "Accumulation Unit" means a Unit in respect of which net income is to be accumulated and which represents such number (including fractions) of undivided shares in the Deposited Property as may from time to time apply in accordance with the following provisions namely:-

(A) The Accumulation Units first issued shall in the first instance each represent one undivided share in the Deposited Property;

(B) Each Accumulation Unit subsequently issued shall represent in the first instance the same number (including fractions) of undivided shares in the Deposited Property as each Accumulation Unit then in issue;

(C) As from the commencement of the day following each date as at which pursuant to Clause 21 cash falls to be transferred from the Deposited Property to the Distribution Account in respect of Income Units the number (including fractions) of undivided shares in the Deposited Property represented by each Accumulation Unit then in issue or deemed to be in issue shall be increased (as nearly as may be without involving a fraction less than one thousandth part of an undivided share) to such extent that the issue price of an Accumulation Unit calculated in accordance with the provisions of Clause 13(C) (but before the adjustment upwards therein mentioned) shall remain unchanged notwithstanding the transfer made out of the Deposited Property.

(v) "Associate" means and includes any corporation which in relation to the person concerned (being a corporation) is a holding company or a subsidiary or a subsidiary of any such holding company or a corporation (or a subsidiary of a corporation) at least one-fifth of the issued equity share capital of which is beneficially owned by the person concerned or an Associate thereof under the preceding part of this definition. Where the person concerned is an individual or firm or other unincorporated body the expression "Associate" shall mean and include any corporation directly or indirectly controlled by such person. The expressions "holding company", "subsidiary" and "equity share capital" shall bear the meanings ascribed thereto in Section 736 and Section 744 of the Companies Act 1985.

(vi) "the Auditors" means a Chartered Accountant or firm of Chartered Accountants appointed as Auditor or Auditors of the Trust by the Managers with the approval of the Trustee.

(vii) "Authorised Call Option" means a Call Option in respect of which permission to deal has been granted on a Recognised Option Exchange and which is traded or dealt in regularly on such Recognised Option Exchange and relates to securities that are Authorised Investments.

(viii) "Authorised Investment" means:-

(a) any Investment for the time being authorised by Part I or II of the First Schedule to the Trustee Investments Act 1961 or other statutory provision for the investment of trust funds;

(b) any other Investment which the Managers may select for the purposes of investment of the Deposited Property (i) listed or quoted on a Recognised Stock Exchange or (ii) permitted to be dealt in on The Stock Exchange Unlisted Securities Market or (iii) which is an Unrestricted Investment or (iv) traded on the French Secondary Market;

(c) any other Investment not covered by (a) or (b) above but selected by the Managers for the purpose of investment of the Deposited Property and approved in writing by the Trustee and:-

(i) in respect of which permission to deal is effective on a Recognised Stock Exchange; or

(ii) which is listed quoted or dealt in on any other Stock Exchange; or

(iii) in respect of which application for listing or for quotation has been made to a Recognised Stock Exchange and the Managers are satisfied that the subscription or other transaction is or will be conditional upon the grant thereof; or

(iv) in respect of which the Managers have reason to believe that it is intended that an application for listing or for quotation or for permission to deal will be made within two years to a Recognised Stock Exchange;

(d) an Investment (so selected by the Managers and approved in writing by the Trustee) in a mutual fund or similar scheme situated in and authorised under the regulations for the time being in force relative to such funds in the United States of America, Australia, Hong Kong, Japan, Singapore, Canada or South Africa or any country in the Continent of Europe;

(e) a unit in any unit trust scheme (as defined by Section 26 (1) of the Prevention of Fraud (Investments) Act, 1958) PROVIDED that in the case of any such unit trust scheme which is not an Authorised Unit Trust Scheme the Investment shall have been approved in writing by the Trustee; or

(f) an Authorised Call Option or an Authorised Put Option; or

(g) any other Investment to which the Managers shall have obtained the approval in writing of the Trustee

(ix) "Authorised Put Option" means a Put Option purchased or to be purchased on behalf of the Trust, in respect of which permission to deal has been granted on a Recognised Option Exchange and which is traded or dealt in regularly on such exchange and relates to securities that are Authorised Investments.

(x) "Authorised Unit Trust Scheme" means an authorised unit trust scheme as defined by Section 26(1) of the Prevention of Fraud (Investments) Act 1958.

(xi) "Bank" means a company or other entity which falls into one or more of the following categories:-

(a) is a recognised bank for the purposes of the Banking Act 1979;

(b) is a licensed institution for the purposes of the Banking Act 1979;

(c) such other category or classification as may be specifically approved by the Secretary of State or any successor thereto for this purpose;

and references to "Banker" shall be construed accordingly.

(xii) "Business Day" means any day on which The Stock Exchange is open for dealings.

(xiii) "Call Option" means a right exercisable within a specified period of time, at the option of the holder of the right, to acquire any share or debenture (as both are defined in the Insurance Companies Regulations 1981) at a specified price.

(xiv) "Certificates" means the Certificates to be delivered by the Trustee pursuant to the provisions of this Deed.

(xv) "Closing Purchase", in relation to an Authorised Call Option which has been written pursuant to the provisions of Clause 17(H), means the purchase for the account of the Trust of an Authorised Call Option having as its subject underlying Investments of the same class and number and having the same exercise price and expiry date as the Authorised Call Option so written which shall have the

effect of terminating the liability under the Authorised Call Option so written.

(xvi) "Closing Sale", in relation to an Authorised Call Option which has been purchased pursuant to the provisions of this Deed, means the writing for the account of the Trust of an Authorised Call Option having as its subject underlying Investments of the same class and number and having the same exercise price and expiry date as the Authorised Call Option so purchased which shall have the effect of terminating the liability under the Authorised Call Option so purchased.

(xvii) "Cover" means cover as may be required by a Recognised Stock Exchange or Recognised Option Exchange in respect of a Call Option written on behalf of the Trust.

(xviii) "The Deposited Property" means all the assets (including cash) for the time being held or deemed to be held upon the trusts of this Deed excluding any amount for the time being standing to the credit of the Distribution Account or the Management Fund.

(xix) "Distribution Account" means the Distribution Account referred to in Clause 21.

(xx) "Equalisation Payment" means (in relation to a Unit issued by the Managers) the capital sum deemed by the Managers after consulting the Auditors to represent the amount included in the issue price of such Unit for income of the Trust accrued up to the time of issue thereof and (in relation to a Unit sold by the Managers) a sum equivalent to the Equalisation Payment which would relate to a Unit issued on the same day PROVIDED that the Equalisation Payment (if any) to be included in the first distribution in respect of a Unit following the issue or sale thereof may be a sum ascertained by dividing the aggregate of all such capital sums in respect of Units issued within the relevant Accounting Period in such proportions inter se as the Managers shall from time to time determine to be just and convenient and unless otherwise determined in equal proportions.

(xxi) "fiscal and sale charges" or "fiscal and purchase charges" means all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees and other duties and charges whether in connection with the constitution of the Deposited Property or the increase of the Deposited Property or the creation, issue, sale, exchange or purchase of Units or the sale or purchase of Investments or in respect of Certificates or other-

wise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but does not include commission payable to agents on sales and re-purchases of Units or any commission, charges or costs which may have been taken into account in ascertaining Value.

(xxii) "French Secondary Market" means the French Second Marche supervised by the Commission des Operations de Bourse.

(xxiii) "Holder" means the registered holder for the time being of a Unit including persons jointly so registered.

(xxiv) "Income Unit" means a Unit in respect of which net income receivable after the date of issue thereof is to be distributed and which represents one undivided share in the Deposited Property.

(xxv) "Investment" means any share, stock, bond, debenture, debenture stock, unit, sub-unit of or other participation in a unit trust scheme or mutual fund or similar scheme, warrant or other security as defined by section 26 (1) of the Prevention of Fraud (Investments) Act 1958, Call Options and Put Options.

(xxvi) "Management Fund" means the Management Fund referred to in Clause 28.

(xxvii) "Management Participation" means a periodic charge of such amount as shall from time to time be fixed by the Managers PROVIDED THAT it shall not exceed a charge at the monthly rate of one-twelfth of one per cent of the Value of the Deposited Property on the last Business Day in each month PROVIDED ALSO THAT the Managers shall give written notice of any increase in the rate of Management Participation (up to or towards a maximum monthly rate of one-twelfth of one per cent of such Value) to the Trustee and all Holders not less than three months prior to the date of effect thereof. Such expression in the context of a given date shall refer and be deemed to refer to the rate fixed by the Managers pursuant to this Deed and applicable on that date and (except for the purpose of Clause 36(D)(ii)(a)) to the rate or rates so applicable as aforesaid over the period in question.

(xxviii) "The Managers" means the said Framlington Unit Management Limited or its successors for the time being duly appointed managers of the Trust under the provisions of Clause 35.

(xxix) "Margin" means margin as may be required by a Recognised Stock Exchange or Recognised Option

Exchange as collateral in respect of a Call Option written on behalf of the Trust.

(xxx) "Minimum Holding" means (subject to Clause 2(B)) 1,000 Units of the same type or such other number as the Managers with the approval of the Trustee may from time to time determine either generally or in any particular case or cases.

(xxxi) "Overseas Government Security" means an Investment approved by the Trustee and issued by, or in respect of which the payment of principal or interest is guaranteed by, any national authority outside the United Kingdom.

(xxxii) "Preliminary Charge" means a charge which may be included in the price of a Unit agreed pursuant to Clause 13(C)(i) or, as the case may be, ascertained pursuant to Clause 13(C)(ii) which charge shall be such amount as shall from time to time be fixed by the Managers generally or in relation to any specific or class of transaction PROVIDED THAT it shall not exceed five per cent of the price agreed pursuant to Clause 13(C)(i) or, as the case may be, ascertained pursuant to Clause 13(C)(ii) without taking into account the Preliminary Charge and upwards adjustment mentioned in Clause 13(C)(ii). Any commission which shall be payable to agents in respect of issues or sales of Units shall not be added to the price of such Units but shall be paid by the Managers out of the Preliminary Charge. The expression "Preliminary Charge" in the context of a given date shall refer to the charge or charges fixed by the Managers pursuant to this Deed and applicable on that date.

(xxxiii) "Put Option" means a right exercisable within a specified period, at the option of the holder of the right, to dispose of any share or debenture (as both are defined in the Insurance Companies Regulations 1981) at a specified price.

(xxxiv) "Recognised Option Exchange" means any traded option market of a recognised stock exchange within the meaning of the Companies Act 1985 or the Companies Act (Northern Ireland) 1960 or a stock or options exchange of repute outside the United Kingdom which is selected by the Managers and has the written approval of the Trustee.

(xxxv) "Recognised Stock Exchange" means The Stock Exchange or any other recognised stock exchange (as defined by Section 26(1) of the Prevention of Fraud (Investments) Act, 1958) or any other Stock Exchange of repute outside Great Britain from time to time agreed between the Managers and the Trustee.

(xxxvi) "Secretary of State" means the Secretary of State for Trade and Industry or any successor thereto.

(xxxvii) "Stockbroker" means a member of a Recognised Stock Exchange.

(xxxviii) "Stock Exchange" in relation to any particular Investment (but not in relation to a Recognised Stock Exchange) shall be deemed to include a responsible firm, corporation or association in any part of the world so dealing in the Investment as to provide in the opinion of the Managers a satisfactory market for the Investment and in such case the Investment shall be deemed to be the subject of an effective permission to deal on the Stock Exchange deemed to be constituted by such firm, corporation or association.

(xxxix) "The Trustee" means the said Lloyds Bank Plc, or its successors for the time being duly appointed trustee hereof under the provisions of Clause 34, and with regard to any provisions of this Deed as to the vesting of Investments in the Trustee, includes also any nominee of the Trustee approved by the Secretary of State. The Trustee shall be entitled to procure:-

- (A) the Trustee; or
- (B) any officer or responsible official of the Trustee jointly with the Trustee; or
- (C) any such nominee; or
- (D) any such nominee jointly with the Trustee;

to be registered as proprietors of any Investment held upon the Trusts of these presents PROVIDED ALWAYS THAT the Trustee shall remain liable for any act or omission of any such person or nominee in relation to any Investment of which such person or nominee is the registered proprietor as if the same were the act or omission of the Trustee. Any provision in this Deed providing for any act or matter to be done by the Trustee may be performed on behalf of the Trustee by any officer or responsible official of the Trustee and any act or matter so performed shall be deemed for all the purposes of this Deed to be the act of the Trustee.

(xl) "Unit" means and includes both Income Units and Accumulation Units and where the context so requires includes a fraction of a Unit and save where this Deed otherwise provides a fraction of a Unit of either type shall rank pari passu and proportionately with a whole Unit of the same type.

(xli) "Unrestricted Investment" means either:-

(a) (i) an obligation of or guaranteed by the Government of the United States of America, Canada or the Republic of South Africa or any of their provinces, states or municipalities; or

(ii) a security of any United States Federal Agency or the International Bank for Reconstruction and Development; or

(iii) a security of any bank or trust company organised under the laws of the United States of America or any of its states, and being a member of the Federal Reserve System; or

(iv) a security of any bank organised under the laws of Canada or any of its provinces and operating under the provisions of the Bank Act of Canada; or

(v) a security of any insurance company organised under the laws of the United States of America or Canada or any of their states or provinces; or

(vi) a security of any company organised under the laws of the United States of America or Canada or any of their states or provinces for the purposes of supplying, at retail, electric power; or

(b) a security issued under the laws of the United States of America or Canada and dealt in on an over-the-counter market in the United States of America or Canada but not coming within the provisions of Clause 1(A)(xli)(a).

(xlii) "Value" except where otherwise expressly stated, means with reference to any Investment at any given time the value calculated by reference to the price appearing to the Managers to be the lowest market dealing offered price or the highest market dealing bid price (according to the context) at that time quoted on any Recognised Stock Exchange or, as the case may be, any Recognised Option Exchange or if not so quoted as quoted on any other Stock Exchange for such amount of the Investment in question as the Managers may consider in the circum-

stances to provide a fair criterion or if no such price is available such price as may be certified by a Stockbroker or some other professional person approved by the Trustee as qualified to value such Investment PROVIDED that (a) in the case of any Investment which is normally listed, quoted or dealt in on a Recognised Stock Exchange or, as the case may be, a Recognised Option Exchange but in respect of which a market dealing price is not available at any time the Value of the Investment shall be such as is certified by a Stockbroker or other professional person (approved for the purpose by the Trustee) or such value as the Managers consider in the circumstances to be fair and is approved by the Trustee and (b) in relation to an Investment permitted to be dealt in on The Stock Exchange Unlisted Securities Market the value thereof shall be the dealing price of such Investment on the Business Day on which such Investment is required to be valued (or if there was no dealing on such day the dealing price on the last preceding Business Day on which there was a dealing) except that where there has been no market dealing of such Investment on or within the ten Business Days preceding the Business Day on which such Investment is required to be valued, the Value of such Investment shall be such as is certified as aforesaid. The Managers shall not be under any liability by reason of the fact that a price reasonably believed to be the lowest market dealing offered price or the highest market dealing bid price for the time being may be found not to be such. All calculations based upon Value which are required for the purpose of Clause 1(A)(xxvii) (Management Participation) Clause 13 (Issue of Units) or Clauses 17 and 18 (Investment of the Deposited Property) shall be based upon lowest market dealing offered prices (except under Clause 13 to the extent therein specifically provided) and all calculations which are required for the purposes of Clauses 14 and 15 (Realisation of Units) or Clause 37 (Termination of Trust) shall be based upon highest market dealing bid prices and in calculating the Value of the Deposited Property or any proportion thereof:-

(i) every Unit agreed to be issued by the Managers shall be deemed to be in issue and the Deposited Property shall be deemed to include not only cash and property in the hands of the Trustee but also the value of any cash or other property to be received in respect of Units agreed to be issued after deducting therefrom or providing thereout the Preliminary Charge and the adjustment (if any) referred to in Clause 13(C) and (in the case of Units issued against the vesting of Authorised Investments) any moneys payable out of the Deposited Property pursuant to Clause 13(B);

(ii) where Investments have been agreed to be purchased or sold but such purchase or sale has not been completed, such Investments shall be included or excluded and the gross purchase or net sale consideration excluded or included as the case may require as if such purchase or sale had been duly completed;

(iii) where in consequence of any notice in writing given pursuant to Clause 14 a reduction of the Trust by the cancellation of Units is to be effected but such reduction has not been completed the Units in question shall not be deemed to be in issue and in calculating the Value of the Deposited Property any amount payable in cash in pursuance of such reduction shall be deducted from the Value of the Deposited Property;

(iv) there shall be deducted any amounts not provided for above which are payable out of the Deposited Property, including (a) any amount of Management Participation accrued but remaining unpaid together with a sum equal to the value added tax chargeable in respect of the management services supplied in consideration of the said Management Participation and (b) (in the event that the Trust becomes liable to taxation on chargeable gains) the amount of tax on capital gains accrued up to the end of the last Accounting Period and remaining unpaid and such sum in respect of tax on net capital gains realised during a current Accounting Period prior to the valuation being made as in the estimate of the Managers will become payable;

(v) there shall be deducted the aggregate amount for the time being outstanding of any borrowings effected under Clause 20 together with the amount of any interest and expenses thereon accrued pursuant to sub-clause (B) of such Clause remaining unpaid;

(vi) there shall be taken into account such sum as in the estimate of the Managers will fall to be paid or reclaimed in respect of taxation related to income down to the relevant date;

(vii) (in the event that the Trust has paid any taxation on chargeable gains) there shall be added the amount of any tax on capital gains estimated to be recoverable and not received;

(viii) any Value (whether of an Investment or cash) otherwise than in Sterling and any foreign currency borrowings shall be converted into Sterling at the rate (whether official or otherwise) which the Managers after consulting or in accordance with a method approved by the Trustee shall deem appropriate to the circumstances having regard inter alia to any premium or discount which may be relevant and to the costs of exchange;

(ix) where the current price of an Investment is quoted "ex" dividend or interest but such a dividend or interest has not been received the amount of such dividend or interest shall not be taken into account in calculating the Value of the Deposited Property;

(x) there shall be deducted from the value of any Investment in respect of which a Call Option has been written the value of such option calculated by reference to the lowest available market dealing offered price quoted on a Recognised Option Exchange or Recognised Stock Exchange or, if no such price is available, a price certified by a Stockbroker or other professional person approved for the purpose by the Trustee or such price as the Managers consider in the circumstances to be reasonable and is approved by the Trustee

PROVIDED ALWAYS in relation to an Investment falling within paragraph (c) (iv) or paragraph (g) of the definition of "Authorised Investment" the Value thereof shall be the initial value thereof ascertained as hereinafter provided or the value thereof as assessed on the latest revaluation thereof made in accordance with the provisions hereinafter contained. For this purpose the initial value shall be the amount expended out of the Deposited Property in the acquisition thereof (including in each case the amount of the stamp duties, commissions and other expenses incurred in the acquisition thereof and the vesting thereof in the Trustee for the purposes of the Trust). The Managers may at any time with the approval of the Trustee and shall at such times or at such intervals as the Trustee may request cause a revaluation to be made of any such Investment by a Stockbroker or other professional person approved by the Trustee as qualified to value such Investment.

(xliii) "Year" means calendar year and "month" means calendar month.

(B) Unless the context otherwise requires, the expression "this Deed" includes any deed made between the Managers and the Trustee and expressed to be supplemental hereto.

References to the Schedules and to Clauses sub-clauses paragraphs and sub-paragraphs shall be construed as references to the Schedules to this Deed and to Clauses sub-clauses paragraphs and sub-paragraphs of this Deed.

References to "Sterling" or "£" are to pounds sterling of the United Kingdom of Great Britain and Northern Ireland. References to "foreign currency" shall be construed as references to currencies other than Sterling.

Words importing persons include corporations; the words "written" or "in writing" include printing, engraving lithography or other means of visible reproduction; words importing the singular number only shall include the plural and vice versa and words importing the masculine gender only shall include the feminine gender.

Any reference herein to any enactment shall be deemed also to refer to any further enactment by which it is amended or replaced, unless the context otherwise requires.

The marginal notes and headings in this Deed are for convenience only and shall not affect the construction hereof.

This Deed shall be governed by and construed and have effect in accordance with English Law.

PROVISIONS AS TO CERTIFICATES

2. (A) CERTIFICATES for Income Units and Accumulation Units shall be registered and shall be in such form as may from time to time be agreed between the Managers and the Trustee. A Certificate shall bear a distinctive serial number and shall specify the number and type of Units represented thereby and the name of the Holder. No Certificate may be issued comprising both Income Units and Accumulation Units.

Form of
Certificates

Sub-division
of Units and
consolidation

(B) The Managers may at any time or times with the approval of the Trustee and on not less than twenty-one days' previous notice in writing in this behalf being given to each Holder by the Managers (on behalf of the Trustee) or the Trustee determine that each Unit shall be sub-divided or consolidated whereupon each Unit shall stand sub-divided or consolidated accordingly. The Trustee or the Managers (on behalf of the Trustee) may in such notice require each Holder whose Units have been sub-divided or consolidated (who shall be bound accordingly) to deliver up his Certificate for endorsement or enfacement with the number of Units thereby represented as a result of such sub-division or consolidation or send or cause to be sent to each Holder whose Units have been sub-divided at his risk a Certificate representing the number of additional Units to which he has become entitled by reason of the sub-division. In the event of any such sub-division or consolidation taking place, the Minimum Holding shall be proportionately increased or decreased (as the case may be).

3. CERTIFICATES may be issued in any denomination of Units including fractions of a Unit: PROVIDED THAT no Certificate shall be issued which would give rise to a holding of less than the Minimum Holding.

4. (A) CERTIFICATES shall be prepared by or on behalf of the Managers and signed on behalf of the Trustee in some manner authorised by the Trustee and any such signature shall either be autographic or affixed by some mechanical means under the control of the Trustee or its duly authorised agents. No Certificate shall be of any force or effect until so signed. Certificates so signed shall be valid and binding notwithstanding that before the issue thereof the Trustee or any person whose signature appears thereon as a duly authorised signatory may have ceased to be the Trustee or, as the case may be, so authorised.

(B) Subject to the provisions of Clause 13(F), the Trustee shall sign as aforesaid and deliver to or to the order of the Managers, Certificates in such denominations as may be required for Units agreed to be issued or sold and for such purpose shall be entitled to rely on a declaration in writing by the Managers as to the Units from time to time agreed to be issued or sold, but in the case of issues of Units the Trustee shall deliver such Certificates only against payment or transfer to the Trustee of the cash or other property receivable by the Trust in respect of the issue of the Units concerned. The Trustee shall also from time to time sign and deliver Certificates required to be issued pursuant to any provision of this Deed upon due compliance with the conditions applicable thereto.

5. THE terms and conditions of this Deed shall be binding on each Holder and all persons claiming through him as if he had been a party to this Deed and as if this Deed contained covenants on the part of each Holder and of all such persons to observe and be bound by all the provisions of this Deed and an authorisation by each Holder to the Trustee and the Managers respectively to do all such acts and things as this Deed may require the Trustee or the Managers (as the case may be) to do.

6. A COPY of this Deed and of any Supplemental Deed for the time being in force shall be made available for inspection at the respective head offices of the Trustee and of the Managers at all times during usual business hours and shall be supplied by the Managers to any person on application at a charge of £5.00 per copy document or such higher amount as shall reflect the cost of printing the same.

7. THE Holder shall be the only person entitled to be recognised by the Trustee or by the Managers as having any right, title or interest in or to the Units registered in his name and the Trustee and the Managers may recognise such Holder as absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take

notice of or to see to the execution of any trust or save as herein expressly provided or as by some court of competent jurisdiction ordered to recognise any trust or equity or other interest affecting the title to any Certificate or the Units thereby represented. No person other than the Managers shall have any rights against the Trustee except in respect of any period during which a Certificate is outstanding in his name.

8. THE Managers shall be treated for all the purposes of this Deed as the Holder of each Unit during such times as there shall be no other person registered or entitled to be registered as the Holder and any such Unit shall be deemed to be in issue, but so that nothing herein contained shall prevent the Managers from becoming registered as the Holder of Units.

9. (A) SUBJECT to the provisions of this Deed and subject to any regulations from time to time made by the Trustee every Holder shall be entitled to exchange any or all of his Certificates for one or more Certificates of such denominations as he may require representing the same aggregate number of Units of the same type. Before any such exchange as aforesaid is carried out the Holder shall surrender to the Trustee the Certificate or Certificates to be exchanged and shall pay to the Trustee all moneys (if any) payable hereunder in respect of the issue of the new Certificate or Certificates.

(B) In case any Certificate shall become mutilated or defaced the Trustee in its discretion may issue to the person entitled in exchange for and upon surrender of the mutilated or defaced Certificate a new Certificate representing the same aggregate number of Units of the same type. In case any Certificate shall be lost, stolen or destroyed the Trustee may in its discretion issue to the person entitled a new Certificate in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have (i) furnished to the Trustee evidence satisfactory to the Trustee of the mutilation, defacement, loss, theft, or destruction of the original Certificate; (ii) paid all expenses incurred in connection with the investigation of the facts; (iii) (in the case of defacement or mutilation) produced and surrendered to the Trustee the defaced or mutilated Certificate; and (iv) (if so required by the Trustee so to do) furnished to the Trustee such indemnity as the Trustee may require. Neither the Managers nor the Trustee shall incur any liability for any action which they may take in good faith under the provisions of this sub-clause.

(C) Before issuing any Certificate under the provisions of this Clause the Trustee may require from the applicant for the Certificate the payment to it of a fee not exceeding 50p per Certificate or such other amount as the Trustee and the Managers may from time to time agree together with a sum sufficient in the opinion of the Trustee to cover any fiscal and sale charges that may be payable in connection with the issue of any such Certificate.

(D) In the event of the Managers or the Trustee after the issue of any Certificate being required to pay any stamp duty or any additional stamp duty thereon the Trustee shall be entitled to deduct the amount of such stamp duty or additional stamp duty from any subsequent distribution made to the Holder of such Certificate pursuant to Clause 21 or from any other moneys whatsoever which may subsequently become payable to such Holder.

(E) Every Certificate issued hereunder shall be in the name of the Holder of the Units represented by the Certificate surrendered or lost, stolen or destroyed.

REGISTRATION OF HOLDERS

10. (A) A Register of Holders shall be kept by or under the control of the Trustee. The Trustee may appoint the Managers or any other person as its agent for the purpose of keeping the Register subject to the undertakings referred to in the Second Schedule first being given and observed by the Managers or such agent. There shall be entered in the Register:-

Register of Holders

(i) The names and addresses of the Holders but so that for any second or subsequent forenames an initial shall suffice;

(ii) The number of Units of each type held by every such person and the distinctive serial number or numbers of the Certificate or Certificates;

(iii) The date at which the name of every such person was entered in respect of the Units standing in his name and where he became a Holder by virtue of an instrument of transfer a sufficient reference to enable the name and address of the transferor to be identified; and

(iv) The date on which any transfer is registered and sufficient reference to enable the transferee to be identified PROVIDED THAT the Trustee shall not be bound to register more than four persons as the joint Holders of Units and in the case of Units held jointly by several persons the Trustee shall not be bound to deliver more than one Certificate therefor and delivery of a Certificate to one of such persons shall constitute a delivery to all;

(B) Any change of name and address on the part of any Holder shall forthwith be notified to the Trustee who on being satisfied therewith and on compliance with such formalities as it may require shall alter or cause the alteration of the Register accordingly;

(C) The Managers shall without any payment be entitled at all reasonable times during business hours to inspect the

Register and except when the Register is closed in accordance with the provisions in that behalf hereinafter contained the Register shall during business hours (subject to such reasonable restrictions as the Trustee may impose but so that not less than two hours in each Business Day shall be allowed for inspection) be open to the inspection of any Holder without charge PROVIDED ALWAYS that if the Register is kept on magnetic tape or in accordance with some other mechanical or electrical system the provisions of this sub-clause may be implemented by the production of legible evidence of the contents of the Register;

(D) The Register may be closed at such times and for such periods as the Trustee may from time to time determine PROVIDED THAT it shall not be closed for more than 30 Business Days in any one year;

(E) (i) Every Holder shall be entitled to transfer the Units or any of the Units held by him by an instrument in writing in common form (or in such other form as the Managers and the Trustee may from time to time approve); PROVIDED THAT no transfer of part of a holding of Units shall be registered without the approval of the Managers and the Trustee if in consequence thereof either the transferor or the transferee would be the Holder of less than the Minimum Holding;

(ii) Every instrument of transfer must be signed by the transferor (but need not be signed by the transferee) and subject to the provisions of Clause 8 and of sub-clause (M) of this Clause, the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof or in the case of a transfer to the Managers until the name of the transferor is removed from the Register. The instrument of transfer need not be a deed;

(iii) Every instrument of transfer must be duly stamped and left with the Trustee for registration accompanied by any necessary declarations or other documents that may be required in consequence of any exchange control or other legislation for the time being in force and by the Certificate or Certificates relating to the Units to be transferred and such other evidence as the Trustee may require to prove the title of the transferor or his right to transfer the Units or in the case of a body corporate the authority of the signatory on its behalf. The Trustee may dispense with the production of any Certificate which shall have become lost, stolen or destroyed upon compliance by the transferor with the like requirements to those arising in the case of an application by him for the replacement thereof;

(iv) All instruments of transfer which shall be registered may be retained by the Trustee;

(v) A fee not exceeding 25p or such other amount as the Managers and the Trustee may from time to time agree may be charged by the Trustee for the registration of each transfer and the issue of a new Certificate in the name of the transferee and a balance Certificate (if necessary) in the name of the transferor.

(F) Subject to the provisions of Clauses 7 and 8, the Register shall be conclusive evidence as to the persons respectively entitled to the Units entered therein and save as herein provided no notice of any trust express implied or constructive shall be entered on the Register;

(G) The receipt of the Holder for any moneys payable in respect of the Units represented by any Certificate shall be a good discharge to the Trustee or the Managers (as the case may be) and if several persons are registered as joint Holders or in consequence of the death or bankruptcy of a Holder are entitled so to be registered any one of them may give effectual receipts for any such moneys;

(H) In the case of the death of any one of joint Holders of Units the survivor or survivors shall be the only persons recognised by the Trustee and the Managers as having any title to or interest in the Units and upon producing such evidence of the death as the Trustee may require and delivering up the relevant Certificate the survivor or survivors shall be entitled to have such Certificate duly marked or to have a fresh Certificate duly issued in his or their name or names as may be appropriate;

(I) A body corporate may be registered as a Holder or as one of joint Holders;

(J) The executors or administrators of a deceased Holder of Units (not being one of several joint Holders) shall, subject to the provisions of sub-clause (A)(iv) above, be the only persons recognised by the Trustee and the Managers as having title to such Units;

(K) (i) Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Holder or of the survivor of joint Holders may subject as hereinafter provided upon producing such evidence as to his title as the Trustee shall think sufficient either be registered himself as Holder of such Unit upon giving to the Trustee notice in writing of such his desire or transfer such Unit to some other person. All the limitations, restrictions and provisions of this Deed relating to transfers shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer were a transfer executed by the Holder;

(ii) Subject to paragraph (iii) of this sub-clause, a person becoming entitled to a Unit in consequence of

death or bankruptcy as aforesaid may give a discharge for all moneys payable in respect of the Unit but he shall not be entitled in respect thereof to receive notices of or to attend or vote at any meeting of Holders until he shall have been registered as the Holder of such Unit;

(iii) The Trustee may retain any moneys payable in respect of any Unit of which any person is under the provisions as to the transmission of Units hereinbefore contained entitled to be registered as the Holder or which any person under those provisions is entitled to transfer until such person shall be registered as the Holder of such Units or shall duly transfer the same;

(L) No fee shall be charged in respect of the registration of any Probate, Letters of Administration, Power of Attorney, Marriage or Death Certificate, Stop Notice, Order of the Court, Deed Poll or other document relating to or affecting the title to any Unit;

(M) Upon the registration of a transfer in favour of the Managers the Certificate or Certificates in respect of the Units transferred shall be cancelled and the name of the Holder removed from the Register in respect of such Units but the name of the Managers need not be entered in the Register as the Holder of such Units nor a Certificate issued therefor. Such removal shall not be treated for any purposes of this Deed as a cancellation of the Units or as withdrawing the same from issue.

CONSTITUTION OF THE TRUST

11. THE Deposited Property shall be constituted out of the proceeds of the issue of Units after deducting therefrom or providing thereout the Preliminary Charge which shall be retained by or paid to the Managers for their own benefit and except in the case of the initial issue of Units the amount of the adjustment referred to in Clause 13(C)(ii) and after providing thereout (in the case of Units issued against the vesting of Authorised Investments) any moneys payable pursuant to the provisions of Clause 13(B).

12. THE Trustee shall stand possessed of all cash and other property for the time being held by the Trustee pursuant hereto upon the trusts and subject to the provisions of this Deed and any moneys forming part of the Deposited Property shall from time to time be invested at the discretion of the Managers in accordance with the provisions herein contained and so that no Unit shall confer any interest or share in any particular part of the Deposited Property. There shall be payable out of the Deposited Property all stamp duty and unit trust instrument duty payable from time to time on or in respect of these presents and all fiscal and purchase or sale charges and all expenses incurred in relation to the registra-

tion of any Investments in the name of the Trustee or its nominee or the holding of any Investment or the custody of the documents of title thereto (including insurance of documents of title against loss in shipment or transit and charges made by agents of the Trustee for retaining documents in safe custody) and any interest on borrowings effected under Clause 20 and expenses payable pursuant to Clause 20(B) and all expenses of and incidental to preparing supplemental deeds for the purpose of securing that the Trust conforms to legislation coming into force after the date hereof (including expenses incurred in the holding of a meeting of Holders where necessary) and all expenses incurred in the collection of income, and all taxation payable in respect of income or the holding of or dealings with the Deposited Property.

ISSUE OF UNITS

Issue of
Units

13. (A) THE Managers shall have the exclusive right to effect for account of the Trust the issue of Units PROVIDED THAT no Units shall be issued so as to give rise to a holding of less than the Minimum Holding and no Unit shall be issued except on a Business Day. Issues of Units for cash shall be made at the prices hereinafter mentioned.

(B) The Managers may subject to the provisions of Clauses 18 and 29(A) in their absolute discretion also issue Units against the vesting upon the trusts hereof in the Trustee of Authorised Investments approved by the Managers for inclusion in the Deposited Property and in connection therewith the following provisions shall apply:-

- (i) all fiscal and purchase charges and other costs, fees and expenses arising in connection with such vesting so far as not paid by the person to whom the Units are to be issued may be paid out of the Deposited Property and there shall also be paid out of the Deposited Property to the Managers for their own benefit an amount equivalent to the Preliminary Charge included in the issue price of the Units and the adjustment referred to in Clause 13(C)(ii);
- (ii) the number of Units to be issued shall be that number which would have fallen to be issued for cash at the current issue price of Units calculated in accordance with Clause 13(C)(ii) against the payment of a sum equal to the Value (calculated as hereinafter provided) of the Authorised Investments so vested in the Trustee plus such sum as the Managers may consider represents the appropriate provision for the fiscal and purchase charges which would be involved in the acquisition of such Authorised Investments by purchase for cash on a Recognised Stock Exchange but minus such sum as the Managers may consider represents any fiscal and purchase charges and other costs, fees and expenses as aforesaid to be paid out of the Deposited Property in connection with the vesting of the Authorised Investments;

- (iii) the Value of the Authorised Investments so vested in the Trustee shall be calculated on such basis as the Managers may decide so long as the same does not exceed the highest amount that would be obtained by applying the definition of Value in Clause 1(A)(xlii);
- (iv) the Trustee shall be satisfied that the terms of such vesting shall not be such as are likely to result in any prejudice to the interests of existing Holders;
- (v) no Units shall be issued until the Authorised Investments have been vested in the Trustee to the Trustee's satisfaction.

Issue Price

(C) (i) The initial issue of Units shall be at an issue price of an amount to be agreed between the Managers and the Trustee (inclusive of the Preliminary Charge) and the initial offer of Units at such price shall not remain open for more than 21 days.

(ii) Save in the case of the initial issue of Units pursuant to paragraph (i) above, the issue price of Units shall be ascertained by calculating the Value at the date of issue of that proportion of the Deposited Property represented by one Unit of the type concerned; by adding thereto such sum as the Managers may consider represents the appropriate provision for fiscal and purchase charges; by adding thereto the Preliminary Charge; and by adjusting the resultant total upwards by not more than 1.25p or one per cent. (whichever is the less). The Preliminary Charge and the amount of the said adjustment shall be retained by the Managers for their own benefit.

(D) Notwithstanding the preceding provisions of this Clause the Managers shall be entitled from time to time after the closing of the initial offer of Units to make an invitation to the public to apply for Units at a fixed price (in this Clause referred to as "the fixed price") equal to the price per Unit ascertained in accordance with sub-clause (C)(ii) as at a Business Day not earlier than the third Business Day immediately preceding the date of publication of such offer and for a period not exceeding seven Business Days from the date of such publication Units may be issued or sold by the Managers at the fixed price whether pursuant to the public offer or not PROVIDED THAT :-

- (i) the Managers shall forthwith close or procure to be closed such offer if by reason of fluctuations in the Value of the Deposited Property the fixed price would exceed by more than two and one half per cent. the current price per Unit calculated as aforesaid PROVIDED THAT if the fixed price shall exceed by not more than two and one half per cent. the current price per Unit calculated as aforesaid the Managers shall pay to the Trustee as an addition to the Deposited Property in respect of each Unit sold (as distinct from issued)

by the Managers at the fixed price the excess of the fixed price over the current price calculated as aforesaid; and

- (ii) The Managers may at their option close or suspend or procure to be closed or suspended such offer if and whenever by reason of fluctuations in Value of the Deposited Property such fixed price would be lower by more than two and one half per cent. than the current price per Unit calculated as aforesaid PROVIDED THAT if and so long as the said option shall be exercisable but shall not have been exercised the Managers shall pay to the Trustee as an addition to the Deposited Property in respect of each Unit issued or sold by the Managers at such fixed price a sum calculated in accordance with the following formula :

$$\begin{array}{r} \text{(Current price)} \\ \text{(thereof calculated)} \\ \text{(as aforesaid)} \end{array} \quad \text{minus} \quad \begin{array}{r} \text{(Fixed price x 100)} \\ \text{(-----)} \\ \text{(97.5)} \end{array}$$

- (iii) For the purposes of this sub-clause :-

(a) "the date of publication" means :-

- (i) in the case of an invitation made through the post the day following the date of posting; and
- (ii) in any other case the date when the particulars or notices of the invitation are first advertised in a newspaper;

(b) a Unit shall be deemed to have been issued or sold on the day on which application therefor is received by the Managers save that if upon such day the Managers are prohibited from effecting such issue or sale by reason of the proviso to this sub-clause they may (unless the application shall have been withdrawn) determine to effect such issue or sale on the first subsequent date within the said period of seven Business Days on which they are not so prohibited and the Unit shall be deemed to have been issued or sold on such subsequent date.

(E) In the event of arrangements being made by the Managers for the issue of Units for delivery in any country outside the United Kingdom the price at which such Units may be issued may at the discretion of the Managers include as an addition to the price of issue as hereinbefore provided a further amount sufficient to cover any additional stamp duty or taxation whether national, municipal or otherwise leviable in that country in respect of such issue or of the delivery or issue of Certificates in connection therewith or the remittance of money to the United Kingdom.

Statement
of Dealings

(F) The Managers shall furnish to the Trustee from time to time on demand a statement of all issues of Units and of the terms on which the same are issued and of any Investments which they determine to direct to be purchased for account of the Trust, and also a statement of any Investments which in accordance with the powers hereinafter contained they determine to direct to be sold for account of the Trust and any other information which may be necessary so that the Trustee may be in a position to ascertain at the date of such statement the Value of the Deposited Property. The Trustee shall be entitled to refuse to issue a Certificate if at any time the Trustee is of opinion that the provisions of this Clause in regard to the issue of Units are being infringed; but nothing in this sub-clause or elsewhere in this Deed contained shall impose upon the Trustee any responsibility for satisfying itself before issuing Certificates that the Managers have complied with the conditions of this Clause.

(G) The Managers shall be entitled (subject to Clause 29(B)) to sell any Unit acquired by them pursuant to this Clause or purchased by them pursuant to Clause 15.

REALISATION OF UNITS

Realisation
of Units by
Managers

14. (A) THE Managers shall have the exclusive right at any time and from time to time by notice in writing delivered to the Trustee to effect reductions of the Trust by the surrender of Certificates to the Trustee for cancellation of all or some of the Units represented thereby or by requiring the Trustee to cancel Units in respect of which no Certificate is outstanding. Such notice shall state the number and type of the Units to be cancelled and the amount payable to the Managers in respect thereof. Before giving notice to exercise such right it shall be the duty of the Managers to ensure that the Deposited Property includes (or will upon the completion of the sale of Investments agreed to be sold include) cash sufficient to pay the amount payable to the Managers out of the Deposited Property upon such reduction. In respect of any such cancellation of Units the Managers shall be entitled to receive out of the Deposited Property an amount per Unit of the type concerned ascertained by the Managers by calculating the Value on the relevant day of a proportion of the Investments and cash which immediately prior to such day formed or were deemed to form part of the Deposited Property equal to the proportion of the Deposited Property then represented by one Unit of the type concerned and by deducting such a sum (calculated on the same basis as for the purposes of Clause 15) as the Managers may consider represents the appropriate allowance for fiscal and sale charges.

Payment to
Managers

(B) Any amount payable to the Managers under the foregoing provisions of this Clause may be paid before but shall be payable on or as soon as practicable after the termination of the customary period for the realisation of investments on The Stock Exchange against surrender to the Trustee of the Certificates (if any) to be cancelled and delivery to the

Trustee of particulars of the Units to be cancelled in respect of which no Certificate is outstanding. Upon such payment and surrender the Units in question shall be deemed to have been cancelled and withdrawn from issue. Any moratorium which may at any time be applied to payments in respect of Stock Exchange transactions shall apply equally to the payment of any such amount.

Certification
of amounts

(C) The Trustee shall be under no obligation to check the calculation of the amounts payable to the Managers but shall be entitled if it so desires to require the Managers to justify the same.

Realisation
of Units

15. (A) SAVE during the two months immediately prior to the termination of the Trust the Managers shall at any time during the life of the Trust on receipt by them or by their duly authorised agent of a request in writing by a Holder purchase from such Holder all or any part of the Units comprised in his holding at not less than the price per Unit ascertained:-

- (i) by calculating the Value on the day on which such request in writing shall have been received (or if such day is not a Business Day, on the next following Business Day) of the proportion of the Deposited Property represented by one Unit of the relevant type;
- (ii) by deducting from the resulting quotient such a sum as the Managers may consider represents the appropriate allowance for fiscal and sale charges; and
- (iii) by adjusting the resulting total downwards by not more than 1.25p or 1 per cent (whichever is the less);

PROVIDED that :

- (i) no such request to purchase shall be valid unless the Holder shall have delivered to the Managers or their authorised agent the Certificate or Certificates representing the Units to be purchased with the endorsement or endorsements thereon duly completed by the Holder or in the case of joint Holders by both or all of them and any such duly completed endorsement shall for all purposes of this Deed be deemed to be a transfer in favour of the Managers;
- (ii) a Holder shall not be entitled to require the Managers to purchase part only of his Units without the approval of the Managers and the Trustee if thereby his holding would be reduced to less than the Minimum Holding;
- (iii) the Managers may at their option dispense with the delivery as aforesaid of any Certificate which shall have become lost stolen or destroyed upon compliance by the Holder with the like requirements to those

arising in the case of an application by him for the replacement thereof;

- (iv) the price payable to a Holder may be paid before but shall be payable as soon as practicable after the termination of the customary period for the realisation of investments on The Stock Exchange and any moratorium which may at any time be applied to payments in respect of Stock Exchange transactions shall apply equally to the payment of such amount;
- (v) where part only of the Units comprised in a Certificate are to be realised the Managers shall procure a balance Certificate to be issued for the balance of the Units comprised in the Certificate.

(B) Unless requested by the Holder concerned within one month after receipt of the request in writing referred to above so to do the Trustee shall be under no obligation to check the calculation of the amount payable in connection with any purchase of Units pursuant to this Clause but shall be entitled at any time if it so desires to require the Managers to justify the same.

(C) If a Holder is resident outside the United Kingdom the Managers shall be entitled to deduct from the total amount which would otherwise be payable in accordance with this Clause on the purchase from the Holder an amount equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if the Holder had been resident in the United Kingdom.

CONVERSION OF UNITS

16. THE following provisions shall have effect in relation to the conversion of Accumulation Units into Income Units or vice versa:-

- (A) Provided that both types of Units are in issue, a Holder of Units of either type may at any time by notice in writing to the Managers elect to convert the whole or part of such Units into Units of the other type on the Business Day next following the receipt of such notice by the Managers: PROVIDED THAT no Units shall be converted which would give rise to a holding of less than the Minimum Holding. Such notice shall be effective only if accompanied by the Certificate representing the Units to be converted.
- (B) On the relevant Business Day the Units to be converted shall ipso facto be converted into the appropriate number of Units of the other type. The appropriate number shall be calculated by the Managers and shall be the number of Units being converted multiplied or divided (as appropriate) by the number (including fractions) of undivided shares in the

Deposited Property represented by one Accumulation Unit on the relevant day and if necessary rounded down by ignoring any resulting fraction in the number so computed.

- (C) Unless specifically requested by the Holder concerned so to do within one month after receipt of the notice referred to above the Trustee shall be under no obligation to check the calculation made pursuant to this Clause but shall be entitled at any time if it so desires to require the Managers to justify the same.
- (D) Upon any such conversion the Register shall be amended accordingly, the old Certificate shall be cancelled and a fresh Certificate in respect of the resulting Units issued in lieu together if necessary with a balance Certificate in respect of any Units represented by the old Certificate but not converted.

INVESTMENT OF THE DEPOSITED PROPERTY

17. (A) ALL cash and other property which ought in accordance with the provisions of this Deed to form part of the Deposited Property shall be paid or transferred to the Trustee forthwith on receipt by the Managers and all cash (except in so far as such cash may in the opinion of the Managers be required for transfer to the Distribution Account) shall be applied at the discretion of the Managers (but subject always to the provisions of this Deed) in the acquisition of Authorised Investments

Scheme of Investment

(1) PROVIDED that all or any amount of cash may during such time or times as the Managers think fit and up to an amount approved by the Trustee be retained :-

- (a) in cash with or on short-term deposit with or on short-term loan to any one or more of the following:-
- (i) the Trustee, if a Banker;
- (ii) any member of the Committee of London and Scottish Bankers or the Committee of Scottish Clearing Bankers or any wholly-owned subsidiary (being a Banker) of any such member;
- (iii) any other Banker approved by the Trustee;
- (iv) any authority to which paragraph 9 of Part II of the First Schedule to the Trustee Investments Act 1961 applies, made or charged in the manner specified in such paragraph; or
- (b) on deposit pursuant to the provisions of Clause 20(A).

(2) PROVIDED FURTHER that any deposit with or loan to any one Banker pursuant to paragraph 1(a)(iii) above or the Managers or any Associate of the Managers falling within paragraph (1)(a)(ii) above shall not at the time that it is made exceed an amount equal to 5 per cent of the Value of the Deposited Property.

(3) PROVIDED FURTHER that any deposit with or loan to any one authority pursuant to paragraph 1(a)(iv) above shall not at the time that it is made exceed an amount equal to 5 per cent of the Value of the Deposited Property or £50,000, whichever is the greater, provided that in no circumstances shall the deposit with or loan to any one authority exceed 10 per cent of the Value of the Deposited Property at the time that it is made.

Underwriting and sub-underwriting contracts

(B) The Managers may with prior notification to the Trustee under Clause 19(A) from time to time for the account of the Trust enter into underwriting or sub-underwriting contracts in relation to the subscription or purchase of Authorised Investments upon such terms in all respects as they shall think fit (but subject always to the provisions of this Deed and so that no such contract shall relate to an Investment which if acquired would constitute a holding in excess of the limits specified in Clause 18) and all commissions or other fees received by the Managers and all Authorised Investments or cash acquired pursuant to any such contract shall form part of the Deposited Property and any subscription or purchase moneys payable thereunder and any value added tax payable on the aforementioned commissions or other fees shall be paid out of the Deposited Property.

Realisation of Investments

(C) Investments comprised in the Deposited Property and not being Authorised Investments shall be realised by the Managers and the net proceeds of realisation shall be applied as aforesaid but the Managers may postpone the realisation of any such Investment for such period as they may determine to be in the interests of the Holders unless the Trustee shall require the same to be realised. Without prejudice to the foregoing or any other provision of this Deed any Investment comprised in the Deposited Property may at any time be realised at the discretion of the Managers either in order to invest the proceeds of sale in other Authorised Investments or to provide cash required to be paid out of the Deposited Property for the purpose of any provision of this Deed or in order to retain the proceeds of sale in cash or on deposit or loan as aforesaid or partly one and partly another.

Dealings on Stock Exchange

(D) Any purchase or sale of an Investment for account of the Trust shall be made on a Recognised Stock Exchange or, as the case may be, a Recognised Option Exchange unless the Managers are satisfied and the Trustee agrees that it is possible to make such purchase or sale more advantageously in some other manner or that it is impossible to make such purchase or sale on a Recognised Stock Exchange or, as the case may be, a Recognised Option Exchange .

cent. in respect of the holding of Investments in not more than six companies or bodies so long as the total number of companies or bodies in which the Trust holds Investments is not less than twenty and the aggregate Value of no ten such holdings exceeds fifty five per cent. of the Value of the Deposited Property; or

(ii) the nominal amount of the Trust's holding of an Investment in any one class of shares or stock in any company or body exceeding ten per cent. of the total nominal amount of all the issued shares or stock of that class immediately after such Investment has been made; PROVIDED THAT if throughout any period of 183 consecutive days the nominal amount of the Trust's holding of any Investment shall exceed ten per cent. of the total nominal amount of all the issued Investments of the same class in any company or body, the Managers shall immediately upon the expiry of such period reduce the Trust's holding of such Investment below the said limit. If any Investment shall have no par value this paragraph (ii) shall be construed as if references to the nominal amount of the Trust's holding of such Investment and the total nominal amount of all the issued Investments of that class were references to the number of those Investments of the appropriate class; or

(iii) the aggregate of the Values of any Investments which do not fall into any of the following categories:-

(a) an Investment listed or quoted on a Recognised Stock Exchange or listed, quoted, traded or dealt in on a Recognised Option Exchange;

(b) an Investment which falls within the provisions of Part I or II of the First Schedule to the Trustee Investments Act, 1961, an Overseas Government Security or an Unrestricted Investment

exceeding 25 per cent. of the total Value of the Deposited Property immediately after such investment has been made; or

(iv) the aggregate of the Values of the Investments which do not fall into categories (a) and (b) of paragraph (iii) and are not permitted to be dealt in on The Stock Exchange Unlisted Securities Market or the French Secondary Market exceeding 5 per cent of the total Value of the Deposited Property immediately after such investment has been made

PROVIDED ALWAYS THAT the limits referred to in paragraph (i) of this sub-clause shall not apply to any Investment which falls within the provisions of paragraphs 1 or 2 of Part II of the First Schedule to the Trustee Investments Act, 1961 for

(E) The Trustee shall at the request of the Managers have the power to enter into an agreement for the purchase or sale of foreign currency at the most advantageous spot rate or forward rate reasonably available provided that no such agreement for the purchase or sale of foreign currency at a forward rate shall provide for settlement on a date more than three months from the date of such agreement and provided further that the Managers shall satisfy the Trustee that such foreign currency is (a) to be acquired in contemplation of the purchase of Authorised Investments or (b) to be sold because at that time the Managers have no intention of acquiring Authorised Investments in the relevant currency. The Trustee may pay any costs and commissions on such transactions out of the Deposited Property.

(F) Any fiscal and sale or purchase charges, commissions, safe custody, insurance and other costs, expenses and charges payable in respect of or incidental to the acquisition, holding or realisation of any Investment, any deposit or loan as aforesaid, any dealing in Authorised Call Options or Authorised Put Options or the provision of Cover or Margin therefor shall be payable out of the Deposited Property.

(G) It shall be the duty of the Managers to ensure that the Deposited Property includes cash (whether on current account or on short term deposit or loan pursuant to the provisions of Clause 17(A)) and/or Investments falling within the provisions of paragraphs 1 and 2 of Part II of the First Schedule to the Trustee Investments Act 1961 and/or Overseas Government Securities not appropriated for any other purpose sufficient to cover the exercise of all Authorised Call Options for the time being forming part of the Deposited Property.

(H) The Managers may write a Call Option or purchase a Put Option on behalf of the Trust provided that it relates to Investments which at the time of writing or purchase form part of the Deposited Property and which immediately after it is written or purchased would be an Authorised Call Option or an Authorised Put Option. Except insofar as the same are utilised to provide Cover pursuant to the provisions of Clause 31(N), the Trustee shall appropriate and set aside the Investments the subject of such a Call Option or Put Option and such Investments shall be available for a sale pursuant to the option but shall not be available for any other application prior to the expiry of the option or a Closing Purchase terminating the same. All premiums received in respect of any such Call Option shall form part of the capital of the Deposited Property.

18. (A) NO investment shall be made which would result in :

Limits upon
Investments

(i) the Value of the Trust's holding of Investments in any one company or body exceeding five per cent. of the total Value of the Deposited Property immediately after such Investment has been made PROVIDED THAT this percentage may be increased to seven and one-half per

in the First Schedule. The Managers shall not be entitled without the consent of the Trustee to apply any part of the Deposited Property in the acquisition of any Investments which are for the time being partly paid only or otherwise in the opinion of the Trustee likely to involve the Trustee in any liability (contingent or otherwise) nor without prior notification to the Trustee to enter into underwriting or sub-underwriting contracts in relation to the subscription or purchase of Investments. In any such case the Trustee shall be entitled but not bound to appropriate and set aside cash or other property approved by the Managers and acceptable to the Trustee sufficient to provide for paying up such Investments in full or (as the case may be) for meeting such underwriting or sub-underwriting or other liability. The cash or other property so appropriated shall form part of the Deposited Property but shall not be available for application without the consent of the Trustee in any way otherwise than as may be required for paying up the Investment or meeting the liability in respect of which the appropriation was made so long as and to the extent that such Investment remains partly paid and part of the Deposited Property or, as the case may be, such liability (contingent or otherwise) exists in relation to the Deposited Property.

Transfer of
property to
Trustee

(B) The Trustee shall be entitled at any time at its entire discretion and without assigning any reason to give notice to the Managers that it is not prepared to accept the transfer of any property which in the opinion of the Trustee infringes the terms of this Deed or the investment policy or objectives of the Trust and the Trustee shall be entitled to require the Managers to deposit in place of any such property other property acceptable to the Trustee.

BORROWINGS

Borrowing
Powers

20. (A) SUBJECT to any Exchange Control or other statutory requirements for the time being in force the Trustee may at any time at the request of the Managers concur with the Managers in borrowing from a Bank (including the Managers, the Trustee or any Associate of either, in each case if a Banker) for account of the Trust foreign currency to enable the Managers to acquire for account of the Trust Investments denominated in any foreign currency (or to enable the Managers to protect the Deposited Property against the depreciation of any foreign currency in which any existing Investments are denominated) and all foreign currency so borrowed shall form part of the Deposited Property PROVIDED ALWAYS that no borrowings may be made by the Trustee hereunder :-

(i) unless throughout any period during which any such borrowings are outstanding the Trustee shall place on deposit in the United Kingdom with one or more Banks cash denominated in Sterling at least equal in value to the Sterling equivalent at any particular time of such borrowings for the time being outstanding;

the investment of trust funds or to any Overseas Government Security.

(B) Subject to the proviso to paragraph (ii) of sub-clause (A) of this Clause it shall not be necessary for the Managers to effect changes of Investments merely because owing to appreciations or depreciations of the Investments of the Trust any of the limits prescribed by this Clause shall be exceeded nor by reason of the said limits being exceeded as a result of:

- (i) receipt by the Trustee or its nominee of any rights, bonuses or benefits in the nature of capital;
- (ii) any scheme or arrangement for amalgamation, reconstruction, conversion or exchange; or
- (iii) any redemption;

but so that if and so long as any of the limits referred to in sub-clause (A) of this Clause shall be exceeded the Managers shall not purchase any further Investments in such company or body and if at a time when any of the said limits shall be exceeded the Managers determine to sell Investments for the purpose of a reduction of the Trust they shall (before selling any other Investment) sell so much of such Investment or Investments as may be necessary to result in such limits being no longer exceeded or such less proportion of such Investment or Investments as may be necessary to effect such reduction.

(C) Paragraph (i) of sub-clause (A) of this Clause shall not come into effect until the Value of the Deposited Property exceeds £200,000.

(D) For the purpose of this Clause the existence of any Call Option written on an Investment shall be ignored in valuing such Investment but not in valuing the Deposited Property.

(E) No Authorised Call Option shall be acquired if the effect of exercise of that option and of all other Authorised Call Options which then form part of the Deposited Property (other than Authorised Call Options subject to a Closing Sale) and which are in respect of the same Investments would be to infringe any of the limits upon investment set out in sub-clause (A) of this Clause.

19. (A) SUBJECT to the provisions of this Deed the selection of all Investments, whether partly paid or not, and the retention of cash under Clause 17 shall in all respects be the responsibility of the Managers who shall have regard to the investment policy or objectives of the Trust. The Managers shall not make any material alteration in the then investment policy or objectives of the Trust without the prior approval of the Trustee and (if the Trustee so requires) the sanction of an Extraordinary Resolution of a Meeting of Holders duly convened and held in accordance with the provisions contained

Selection of
Investments

PROVIDED FURTHER that

- (a) any such deposit of cash shall be a short-term deposit unless made with a lender of foreign currency to the Trust (or any Associate of such lender) upon terms providing for the repayment of the deposit at such times and in such proportionate amounts as the borrowing from such lender is repayable; and
- (b) if as a result of fluctuations in the rates of exchange between Sterling and the currency or currencies of the borrowings the amount of Sterling deposited under this paragraph is required to be increased the Trustee shall effect such increase as expeditiously as seems to the Trustee after consultation with the Managers to be reasonable in the interest of the Holders.

Any interest on such deposit shall be paid to the Trustee as an accretion to the Deposited Property and such deposit shall continue to be treated as part of the Deposited Property for the purposes of this Deed; and

- (ii) other than on such terms as will permit the Trustee :-
 - (a) to repay the whole of the same upon giving not more than thirty days' notice to the lender in the event that the Trust is terminated pursuant to any provisions of this Deed; and
 - (b) in the event of a reduction of fifteen per cent. or more in the Value of the Deposited Property as compared with its Value at whichever is the later of the date on which the borrowing was effected or on which the last repayment following a reduction in the Value of the Deposited Property was made to repay not later than thirty days after notice of repayment has been given to the lender an amount up to whichever is the lesser of
 - (1) the amount by which the outstanding borrowings of the Trust at the date of such notice exceed ten per cent. of the Value of the Deposited Property after such reduction; or
 - (2) such percentage of the borrowings of the Trust outstanding at that time as is equal to the percentage fall in the Value of the Deposited Property,

any such repayment to be made only after consultation with the Managers.

(B) Any interest on any borrowing effected under this Clause and expenses incurred in negotiating, entering into, varying and carrying into effect, with or without variation, and terminating the borrowing arrangements shall be payable out of the Deposited Property.

(C) For the purposes of securing any borrowing and interest and expenses thereof the Trustee shall be entitled with the concurrence of the Managers to charge or pledge in any manner all or any part of the Deposited Property and where any part of the Deposited Property or the document of title thereto is for the time being under the custody or control of some person other than the Trustee in consequence of any such charge or pledge the provisions of this Deed as to the custody and control of the Deposited Property or documents of title thereto (including registration of Investments) shall be deemed not to have been infringed thereby but the Trustee shall be liable for the neglect or default of any such person in relation to the custody or control of such part of the Deposited Property or documents of title as if the same were the neglect or default of the Trustee. Any such charge or pledge shall be made upon the terms that no step shall be taken to enforce the security thereby constituted until thirty days after notice in writing shall have been given to the Trustee demanding repayment of the moneys thereby secured. If such a notice shall be given the Trustee shall promptly advise the Managers who shall promptly effect such sales of Investments as may be necessary to enable such repayment to be effected in due time.

(D) The Trustee shall not incur any liability by reason of any loss which a Holder may suffer by reason of any depletion in the value of the Deposited Property which may result from any borrowing arrangements made hereunder by reason of fluctuations in rates of exchange and (save as herein otherwise expressly provided) the Trustee shall be entitled to be indemnified out of and have recourse to the Deposited Property in respect of any liabilities, costs, claims or demands which it may suffer arising directly or indirectly from the operation of this Clause and the arrangements referred to herein.

(E) In the event that any arrangements for borrowing or making deposits under this Clause shall be made with the Managers or the Trustee or any Associate of either, such person shall be entitled to retain for its own use and benefit all profits and advantages which may be derived therefrom.

(F) For the purposes of this Clause, the Value of the Deposited Property shall be based upon lowest available market dealing offered prices but subject thereto shall be calculated in accordance with the provisions of Clause 1(A)(xlii).

DISTRIBUTIONS

21. (A) ON or before each 15th July commencing on 15th July, 1987, the Trustee shall distribute among the Holders of Income

Distribution

Units and the Managers rateably in accordance with the number of such Units held or deemed to be held by them on the last preceding Accounting Date the proportion attributable to Income Units of the amount available for allocation in respect of the Accounting Period ending on such Accounting Date adjusted to the nearest convenient fraction of one-tenth of a penny per Unit. The aggregate amount of any such fractions not so distributed shall be added to and form part of the amount available for distribution in respect of the next following Accounting Period. As at each Accounting Date the amount of cash required to effect such distribution shall be transferred to a special account to be entitled "the Distribution Account". The interests of Holders of Accumulation Units shall be dealt with as referred to in Clause 22(B).

Distribution
Account

(B) Any interest earned by placing on deposit moneys standing to the credit of the Distribution Account shall be treated as if the same were income derived from the Deposited Property and shall be dealt with accordingly. Subject as aforesaid any amount at credit of the Distribution Account shall not for any of the purposes of this Deed be treated as part of the Deposited Property but shall be held by the Trustee upon trust to distribute or apply the same as herein provided.

(C) The Managers may at any time or times with the approval of the Trustee and upon the Managers or the Trustee giving to each Holder of Units not less than twenty-one days' previous notice in writing in that behalf determine that the date upon which any distribution is to be effected and so consequently the Accounting Date shall be altered PROVIDED that the period between the date by reference to which distributions are calculated and the date upon which distributions are made shall be not more than two months.

Computation
of amount
distributable

22. (A) THE proceeds of sales of rights and all other receipts deemed by the Managers after consulting the Auditors to be in the nature of capital accruing from Investments shall not be regarded as available for distribution but shall be retained as part of the Deposited Property.

(B) The amount available for allocation in respect of any Accounting Period shall subject to the provisions of this Clause be assessed by the Managers by deducting the Management Participation for the relevant period paid or payable out of income together with a sum equal to the value added tax charged or chargeable in respect of the management services supplied in consideration of the said Management Participation from the total net amount received by the Trustee in respect of the relevant period of all interest dividends and other receipts deemed by the Managers after consulting the Auditors to be in the nature of income; by making such provision for taxation as the Managers after consulting the Auditors shall think appropriate; by deducting the amount payable by the Trustee in respect of the relevant period by way of interest on borrowings effected under Clause 20; by deducting the

amount of any expenses incurred during the relevant period and payable pursuant to the provisions of these presents (including those expenses paid out of the Deposited Property pursuant to sub-clause (B) of Clause 20) which the Managers after consultation with the Auditors deem to be properly payable out of income except in so far as any such expenses fall to be deducted in computing the amount available for allocation under any other provision of this sub-clause; by adjusting the resultant figure by the addition of a sum representing the amounts included in the price of Units issued during the relevant period for income accrued up to the time of issue and the deduction of a sum representing participations in income distributed upon the cancellation of Units during the relevant period; by adding such sum as shall have been received or is estimated by the Managers to be receivable by way of repayment of tax on income received during the relevant period and a sum representing the Managers' best estimate of any relief from tax on chargeable gains which may be allowed in respect of Management Participation and value added tax charged or chargeable in respect thereof deducted as before mentioned; the amounts so assessed shall be allocated between Income Units and Accumulation Units according to the respective shares in the Deposited Property represented by the Income Units and Accumulation Units in issue or deemed to be in issue at the end of the relevant period and there shall be added to the amount allocated to Income Units any amount available for distribution in respect of Income Units in respect of the last preceding Accounting Period which as a result of the adjustment for fractions referred to in Clause 21(A) was not transferred to the credit of the Distribution Account. Only the amount allocated to Income Units shall fall to be distributed and the interests of Holders of Accumulation Units in the amount so assessed shall be satisfied by increasing as provided in Clause 1(A)(iv) the number (including fractions) of undivided shares in the Deposited Property represented by Accumulation Units. To the extent that by reason of income of the Deposited Property being on or prior to the Record Date or Accounting Date receivable but not having been received the total net amount above referred to is insufficient (after providing for taxation payable or estimated to be payable) to enable the transfer referred to in Clause 21 to be made the deficiency may be made good by temporary loan from the Deposited Property to the Distribution Account but so that the amount of any such temporary loan shall be repaid to the Deposited Property as soon as practicable. For all the purposes of this Deed the Deposited Property shall be deemed to include any amount for the time being owing to the Deposited Property from the Distribution Account.

(C) Prior to each date upon which a distribution is to be effected the Managers shall cause to be made up and audited a statement showing the matters hereinafter mentioned in respect of the last preceding Accounting Period. The statement relating to each Accounting Period with the Auditors' Report annexed shall be filed with the Trustee and shall be conclusive

and binding and copies thereof shall be open for inspection during usual business hours by any Holder at the office of the Managers. The Trustee and the Managers shall be absolutely protected in relying on and shall act upon such statement.

(D) The first allocation to be made in respect of a Unit following the issue or sale thereof shall be of the same net amount as the allocation to be made in respect of other Units of the same type but shall be or include a capital sum which shall be equal to the Equalisation Payment in respect of such Unit.

(E) In respect of each Unit sold by the Managers during the relevant period the Managers shall be entitled to receive for their own use and benefit so much of the allocation in respect of such period as represents participation of such Unit in income accrued up to the close of business on the day preceding the day of sale of such Unit and in return therefor the Managers on or before the date for distribution appropriate to that period shall pay to the Trustee an equivalent amount.

23. THE following provisions shall apply in relation to the
Statements statement referred to in the last preceding Clause:-

(A) Such statement shall show (where applicable) for a convenient number of Units of each type participating in the net income of the Accounting Period the following information or such other information as may be required by the Secretary of State from time to time:-

(i) The amount of all cash, dividends, interest and income bonuses received, the amount of income tax deducted therefrom, the amount of any other taxes deducted therefrom (together with an indication of the nature thereof), the amount of tax credits, and the corresponding amount available for allocation in accordance with the provisions hereof.

(ii) The amount of any cash received and available for allocation in accordance with the provisions hereof which is not liable to income tax and is not the subject of a tax credit and the source or sources of such amount.

(iii) The amount of any tax on income or (in the event that the Trust becomes liable to taxation on chargeable gains) chargeable gains recoverable or otherwise relieved or estimated by the Managers to be recoverable or otherwise relieved so far as the same falls to be included in the amount available for allocation.

(iv) The amount included by way of Equalisation Payment in the price of Units issued during the Accounting Period.

- (v) The amount charged to cover taxation.
- (vi) The amount charged in respect of Management Participation for the Accounting Period and the authority therefor showing separately that deducted from income and that deducted from capital and also showing separately the amount charged in respect of value added tax on the said Management Participation.
- (vii) The amount of all expenses deducted in computing the amount available for allocation including those expenses paid out of the Deposited Property pursuant to Clause 20(B).
- (viii) The amount of any interest on borrowings deducted in computing the amount available for allocation together with an indication of the nature thereof.
- (ix) The amount brought forward from the previous Accounting Period and that carried forward to the following Accounting Period.
- (x) The net amount to be distributed by way of distribution in respect of the Accounting Period on Income Units.
- (xi) The amount retained as part of the Deposited Property in respect of the Accounting Period for Accumulation Units.
- (xii) The amount by which in the opinion of the Auditors the amount available for allocation has been increased by reason of the purchase of securities cum dividend or sale of securities ex dividend unless the Trustee and the Auditors agree that such increase (if any) represents less than five per cent. of such amount.

(B) Such statement shall also show in percentage form the amount of the Deposited Property on the Business Day next following the Accounting Date in question represented by each Investment, the amount represented by cash and the amount represented by Call Options and Put Options then exercisable by the Trust together with a description of the dealings in traded options and an indication of the options purchased or written during the relevant period (and so that where any such Investment is subject to a Call Option written by the Trust which remains exercisable the value of such Call Option (calculated in accordance with paragraph (x) of the definition of "Value") shall be shown). Such statement shall also bring into account a deduction (i) for any borrowings effected under Clause 20 outstanding on the relevant day and (ii) (in the event

proxies to vote, consent or otherwise act in respect of all or any part of the Deposited Property. The Managers shall be entitled to exercise the said rights in what they may consider to be the best interests of the Holders, but neither the Managers nor the Trustee shall be under any liability or responsibility in respect of the management of the Investment in question nor in respect of any vote, action or consent given or taken or not given or taken by the Managers whether in person or by proxy, and neither the Trustee nor the Managers nor the holder of any such proxy or power of attorney shall incur any liability or responsibility by reason of any error of law or mistake of fact or any matter or thing done or omitted or approval voted or given or withheld by the Trustee or Managers or by the holder of such proxy or power of attorney; and the Trustee shall be under no obligation to anyone with respect to any action taken or caused to be taken or omitted by the Managers or by any such proxy or attorney.

(B) The phrase "rights of voting" or the word "vote" used in this Clause shall be deemed to include not only a vote at a meeting but any consent to or approval of any arrangement, scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the Deposited Property and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

INTEREST UPON DEPOSITED CASH

Interest on
Cash held by
Trustee

27. WHERE any cash forming part of the Deposited Property or the Distribution Account is transferred to a deposit account with the Trustee or any Associate thereof (being a Banker) such person shall allow interest thereon in accordance with normal banking practice. Subject thereto such person shall be entitled to retain for its own use any benefit it may derive from any such cash for the time being in its hands (whether on current or deposit account).

REMUNERATION OF TRUSTEE AND MANAGERS

Management
Participation
and Management
Fund

28. (A) THE Management Participation shall on the last Business Day of each month or so soon thereafter as possible be paid out of the Deposited Property into a Management Fund under the control of the Trustee and shall be payable thereout (subject to sub-clause (C) of this Clause) to the Managers. If at the end of any month there shall be insufficient income in the hands of the Trustee for discharging the Management Participation then the Trustee shall make up the deficiency out of other cash forming part of the Deposited Property or by realising any or part of any Investment designated by the Managers.

Remuneration
of Trustee

- (B) The remuneration of the Trustee (as agreed between the Trustee and the Managers) shall be payable by the Managers. The Trustee shall in addition to such remuneration

that the Trust becomes liable to taxation on chargeable gains) for corporation tax on chargeable gains.

(C) There shall be appended to such statement particulars of the bid price of Units of each type on the Business Day next following the Accounting Date.

(D) The Managers shall send to the Holders on each date upon which any distribution is to be effected or as soon thereafter as possible copies of the said statement. PROVIDED ALWAYS THAT if the Managers deem the same to be convenient part of the contents of the said statement may be omitted and shown instead on the reverse of the Tax Certificate issued pursuant to Clause 25 on the occasion of each distribution .

Place and
Conditions
of Payment

24. ANY moneys payable by the Trustee to any Holder under the provisions of this Deed shall be paid by cheque or warrant sent through the post to the registered address of such Holder or in the case of joint Holders to the registered address of that one of the joint Holders who is first named on the Register or to the registered address of such other of the joint Holders as may be authorised in writing by all of them. Every such cheque or warrant shall be sent at the risk of the person entitled thereto and shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque or warrant by the banker upon whom it is drawn shall be a satisfaction of the moneys payable and shall be a good discharge to the Trustee and the Managers. Where an authority in that behalf shall have been received by the Trustee in such form as the Trustee shall consider sufficient the Trustee may pay the amount distributable to any Holder to his bankers or other agent and the receipt of such bankers or other agent shall be a good discharge therefor.

Tax Certificates

25. THE Trustee shall issue on the occasion of each distribution to each Holder a Tax Certificate to be prepared by the Managers or the Auditors in a form approved by the Trustee and the Inland Revenue.

VOTING RIGHTS ON DEPOSITED PROPERTY

Manager's
right to
determine how
voting rights
shall be
exercised

26. (A) EXCEPT as otherwise expressly provided, all rights of voting conferred by any of the Deposited Property shall be exercised in such manner as the Managers may in writing direct and the Managers may refrain at their own discretion from the exercise of any voting rights and no Holder shall have any right to interfere or complain. The Trustee shall without delay forward to the Managers all notices of meetings, reports and circulars received by it or its nominee as holder of any Investment and shall upon written request by and at the expense of the Managers from time to time execute and deliver or cause to be executed and delivered to the Managers or their nominees such powers of attorney or proxies as the Managers may reasonably require, in such name or names as the Managers may request, authorising such attorneys and

Solvency of
Management
Fund
Expenses

be entitled to be repaid by the Managers on demand the amount of all its disbursements wholly and exclusively incurred in the performance of its duties under this Deed other than disbursements expressly required or authorised by this Deed to be paid out of the Deposited Property.

(C) Notwithstanding the foregoing provisions of this Clause the Trustee shall be entitled to retain in the Management Fund such sum (if any) as may from time to time be determined by the Trustee after consultation with the Managers as necessary (taking into account future Management Participation) to provide for the future administration of the Trust. Any sum for the time being so held may be invested in such manner as the Trustee and the Managers may from time to time agree and any income derived therefrom shall be payable to the Managers. If and so far as any expenses (including the remuneration of the Trustee) incurred in connection with the management or trusteeship of the Trust which are payable by the Managers and are not chargeable against the Deposited Property shall not be duly paid by the Managers, the Trustee may pay the same out of the Management Fund. Subject as hereinbefore provided the Management Fund shall be held on trust for the Managers absolutely and in the event of the retirement or removal of the Managers the new Managers shall establish a new Management Fund of such amount as the Trustee may consider necessary (taking into account future Management Participation) for the administration of the Trust and thereupon the investments and/or cash representing the old Management Fund shall be paid or transferred to the old Managers.

(D) If after the termination of the Trust and after all the remuneration to which the Trustee is entitled hereunder has been paid and all its disbursements have been repaid to the Trustee any part of the Management Fund shall remain the same shall be paid or transferred to the Managers.

(E) The Management Participation to which the Managers are entitled hereunder shall be calculated without taking into account any value added tax chargeable in respect thereof. In addition to the said Management Participation the Managers shall also be entitled to a sum equal to the value added tax chargeable in respect of the services in consideration of which the said Management Participation is paid to the Managers. The said sum shall be paid out of the Deposited Property when the Management Participation becomes due or as soon thereafter as is possible.

(F) In consideration of the foregoing neither the Trustee nor the Managers shall make any charge against Holders or against the Deposited Property or against any distributions for their services or for their expenses hereunder with the exception of the charges or fees expressly authorised by this Deed or by law.

CONCERNING THE TRUSTEE AND THE MANAGERS

Sale or Dealings
as Principal
Prohibited in
Certain Cases

29. (A) NEITHER the Trustee nor the Managers nor any company controlled by them or either of them nor any person, firm or corporation (hereinafter referred to as "a delegate") entitled to exercise any investment powers or discretions under this Deed pursuant to a delegation by the Managers, shall as principal sell, or deal in the sale of, Investments to the Trustee for account of the Trust or vest Investments in the Trustee against the issue of Units (otherwise than pursuant to an offer made generally to all holders of units, sub-units or shares in an Authorised Unit Trust Scheme to exchange such units, sub-units or shares for Units of the Trust) or purchase Investments from the Trustee acting for the account of the Trust and each shall (without incurring any liability for failure to do so) use its best endeavours to procure that no such sale or dealing or vesting or purchase shall be made by (i) any person, firm or corporation holding or beneficially entitled to ten per cent. or more of the share capital of the Trustee or the Managers or any delegate; or (ii) by any corporation controlled by any such person, firm or corporation; or (iii) by any Director of the Trustee, or of the Managers, or of any delegate (being a corporation) or of any such corporation; or (iv) by any partner of any such firm. Each such person or body (other than the Trustee and the Managers) referred to in this paragraph shall be known in this Clause as "a connected person".

Nothing herein or elsewhere in this Deed contained shall prevent:-

- (i) any sale for account of the Trust of any Investment to, or any purchase for account of the Trust of any Investment from, the trustee or managers of any other Authorised Unit Trust Scheme for account of such scheme, notwithstanding that the Trustee and/or the Managers and/or any connected person may be, or be interested in, the trustee or the managers of, or any person, firm or corporation to whom any investment powers or discretions may have been delegated under, such scheme PROVIDED THAT:-
- (a) the value of the Investment in question is certified in writing for the purpose of the transaction by a Stockbroker or by some other professional person qualified to value such Investment selected or approved by the Trustee; and
- (b) the Trustee shall be of the opinion that the terms of such transaction shall not be such as are likely to result in any prejudice to Holders; or
- (ii) the Trustee or the Managers or any connected person from becoming the owner of Units and holding, dispo-

sing of, or otherwise dealing with, the same, with the same rights (subject as provided in paragraph 1 of the First Schedule) which they would have had if neither the Trustee nor the Managers nor any connected person were a party to, or delegate under, this Deed or from buying, holding or dealing in any Investments upon their respective individual accounts, notwithstanding that similar Investments may be held under this Deed as part of the Deposited Property.

Neither the Trustee nor the Managers nor any connected person shall be liable to account, either to the other or others of them or to the Holders or any of them, for any profits or benefits made or derived by or in connection with any transaction permitted under paragraph (ii).

Quotation and
dealings by
Managers

(B) No Units of either type shall at any time be quoted for sale by or sold by or for account of the Managers or any corporation controlled by the Managers at a price higher than the issue price for the time being applicable to Units issued for cash pursuant to Clause 13(C)(ii). No Units shall at any time be quoted for purchase or purchased by or for account of the Managers or any corporation controlled by the Managers at a price lower than the purchase price for the time being applicable to Units purchased by the Managers pursuant to Clause 15. The Trustee shall not be responsible to verify the price of any such quotation or dealing unless on any occasion specifically requested by the Holder or former Holder of the Units concerned to do so not later than one month after the date of such quotation or dealing but the Managers shall justify such quotation or dealing if so requested by the Trustee at any time.

(C) The prohibition contained in sub-clause (A) of this Clause shall not apply to transactions in pursuance of a merger of another Authorised Unit Trust Scheme with the Trust.

Indemnities
Invalid
Documents

30. (A) THE Trustee and the Managers shall incur no liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties including themselves or their officers.

Legislation

(B) The Trustee and the Managers shall incur no liability to the Holders or any of them for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any Government (whether legally or otherwise) either they or either of them shall be

directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of this Deed neither the Trustee nor the Managers shall be under any liability therefor or thereby.

(C) Neither the Trustee nor the Managers shall be responsible for the authenticity of any signature on or of any seal affixed to any endorsement on any Certificate or to any transfer or form of application, endorsement or other document affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or any seal affixed to such endorsement, transfer or other document or for acting on or giving effect to any such forged or unauthorised signature or seal. The Trustee and the Managers respectively shall nevertheless be entitled but not bound to require that the signature of any Holder or joint Holder to any document required to be signed by him under or in connection with this Deed shall be verified by a banker or broker or other responsible person or otherwise authenticated to its or their reasonable satisfaction.

(D) Any indemnity expressly given to the Trustee or the Managers in this Deed is in addition to and without prejudice to any indemnity or right of contribution allowed by law .

(E) (i) The Trustee and the Managers may accept as sufficient evidence of the Value of any Investment or foreign currency or the cost price or sale price of any Investment or of any Stock Exchange quotation or listing or dealing price a certificate by a Stockbroker or (in the case of Investments not normally listed, quoted, traded or dealt in on a Recognised Stock Exchange, a Recognised Option Exchange or, as the case may be, The Stock Exchange Unlisted Securities Market) some other professional adviser approved by the Trustee as qualified to value such Investment PROVIDED THAT in relation to Call Options written for the account of the Trust or Call or Put Options held as Authorised Investments neither the Managers nor the Trustee need obtain any certificate or other documents but may rely on confirmation notes issued or purporting to be issued by and on the records of the Recognised Stock Exchange, Recognised Option Exchange, broker or other agent through whom any such option was written or purchased and the Managers and the Trustee shall be fully protected in relying on any such confirmation note and shall not be under any liability or responsibility as a result thereof.

(ii) At all times and for all purposes of this Deed the Trustee and the Managers may rely upon the established practice and rulings of any Recognised Stock Exchange or, as the case may be, any Recognised Option Exchange and any committees and officials thereof on which any dealing in any Authorised Investment is from time to time effected in determining what shall constitute a good delivery and any similar matters and such practice and rulings shall be conclusive and binding upon all persons under this Deed.

(F) Nothing herein contained shall be construed so as to prevent the Managers and the Trustee in conjunction or the Managers or the Trustee separately from acting as Managers or Trustee of trusts separate and distinct from this Trust.

(G) Neither the Managers nor the Trustee shall be liable to account to any Holder or otherwise for any payment made or suffered in good faith to any duly empowered fiscal authority of the United Kingdom or elsewhere for taxes or other charges in any way arising out of or relating to any transactions of whatsoever nature under this Deed notwithstanding that any such payments ought not to be or need not have been made or suffered.

CONCERNING THE TRUSTEE

Custody of
Investments

31. (A) ANY Investments forming part of the Deposited Property shall, whether in bearer or in registered form, be dealt with as the Trustee may think proper for the purpose of providing for the safe keeping thereof. Notwithstanding anything to the contrary herein contained the Trustee shall remain liable for any act or omission of any agent with whom bearer Investments or documents of title to registered Investments are deposited as if the same were the act or omission of the Trustee. Any Investment in registered form shall, as soon as reasonably practicable after receipt of the necessary documents by the Trustee, be registered as mentioned in the definition of "the Trustee" in Clause 1 (A) (xxxix) of this Deed and shall remain so registered until disposed of pursuant to the provisions of this Deed. Subject as aforesaid the Trustee shall retain the documents of title to all Investments held upon the trusts of this Deed in its possession in safe custody. Any expenses of whatever nature incurred by the Trustee in effecting such registration or providing safe custody shall be payable out of the Deposited Property.

(B) The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request or advice of the Managers. Whenever pursuant to any provision of this Deed any certificate, notice, instruction or other communication is to be given by the Managers to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Managers by any person whose signature the Trustee is for the time being authorised by the Managers under their common seal to accept.

Trustee not
responsible
for errors of
judgment

(C) The Trustee may act upon any advice of or information obtained from the Managers or any bankers, accountants, brokers, lawyers, agents or other persons acting as agents or advisers of the Trustee or the Managers and the Trustee shall not be liable for anything done or omitted or suffered in reliance upon such advice or information. The Trustee shall not be responsible for any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the

part of any such banker, accountant, broker, lawyer, agent or other person as aforesaid or of the Managers except on the part of any agent who may be keeping the Register pursuant to Clause 10. Any such advice or information may be obtained or sent by letter, telegram, telex message or cablegram and the Trustee shall not be liable for acting on any advice or information purporting to be conveyed by any such letter, telegram, telex message or cablegram although the same contains some error or shall not be authentic.

Trustee's
discretion
absolute

(D) Except if and so far as herein otherwise expressly provided the Trustee shall as regards all the trusts, powers, authorities and discretions vested in it have absolute and uncontrolled discretion as to the exercise thereof whether in relation to the manner or as to the mode of and time for the exercise thereof, and in the absence of fraud or negligence the Trustee shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof.

Trustee free
to carry on
financial
transactions

(E) Nothing herein shall prevent the Trustee or any Associate of the Trustee from contracting or entering into any financial banking or other transaction with the Managers (when acting otherwise than in their capacity as Managers of the Trust) or any Associate of the Managers or any Holder or any company or body any of whose securities form part of the Deposited Property or from being interested in any such contract or transaction. Neither the Trustee nor any Associate thereof nor the Managers nor any Associate thereof shall be in anywise liable to account to any of the others of them or to the Holders or any of them for any profit or benefit made or derived from or in connection with any such transaction.

Payment by
Trustee

(F) In no event shall a Holder have or acquire any rights against the Trustee or Managers or either of them except as expressly conferred on the Holder hereby nor shall the Trustee be bound to make any payment to any Holder except out of funds held by it for that purpose under the provisions of this Deed.

Legal
proceedings

(G) The Trustee shall not be under any obligation to appear in, prosecute or defend any action or suit in respect of the provisions hereof or in respect of the Deposited Property or any part thereof or any corporate or shareholders' action which in its opinion would or might involve it in expense or liability, unless the Managers shall so request in writing, and shall so often as required by the Trustee furnish it with an indemnity satisfactory to it against any such expense or liability.

Indemnity out
of Deposited
Property

(H) Subject as herein provided the Trustee shall be entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Trustee to have recourse to the Deposited Property or any part thereof but this shall be without prejudice to the

obligation of the Managers to reimburse the Trustee as provided in Clause 28(B).

Deduction
of tax

(I) Before making any distribution or other payment in respect of any Unit or in respect of Management Participation the Trustee may make such deductions as by the law of England or by the law of any other country in which such payment or distribution is made the Trustee is required or entitled to make in respect of any income or other taxes, charges or assessments whatsoever and the Trustee may also deduct the amount of any stamp duties or other Governmental taxes or charges payable by it or for which it might be made liable in respect of such distribution or any documents signed by it in connection therewith.

Trustee not
bound to
check
valuations

(J) The Trustee shall not be responsible for verifying or checking any valuation of the Deposited Property or any calculation of the prices at which Units are to be issued or realised, except as herein expressly provided.

Trustee may
act on
resolutions

(K) The Trustee shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Holders in respect whereof minutes shall have been made and signed even though it may be subsequently found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not binding upon all the Holders.

Destruction
of
Documents

(L) The Trustee (or the Managers on its behalf) shall (subject as hereinafter provided) be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of twelve years from the date of registration thereof and all Certificates and distribution mandates which have been cancelled at any time after the expiration of three years from the date of cancellation thereof and all notifications of change of address after the expiration of three years from the date of the recording thereof and all forms of proxy in respect of any Meeting of Holders three years from the date of the Meeting for which the same are prepared and all registers, statements and other records and documents relating to the Trust at any time after the expiration of six years from the termination of the Trust. Neither the Trustee nor the Managers shall be under any liability whatsoever in consequence thereof and unless the contrary be proved every instrument of transfer so destroyed shall be deemed to be a valid and effective instrument duly and properly registered and every Certificate so destroyed shall be deemed to be a valid Certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed shall be deemed to be a valid and effective document in accordance with the recorded particulars thereof.

PROVIDED ALWAYS THAT:-

- (i) The provisions aforesaid shall apply only to the destruction of a document in good faith and without

notice of any claim (regardless of the parties thereto) to which the document might be relevant;

- (ii) The provisions aforesaid shall not apply to any document expressly excluded by the Managers by notice in writing to the Trustee;
- (iii) Nothing in this sub-clause shall be construed as imposing upon the Trustee or the Managers any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of sub-paragraph (i) above are not fulfilled;
- (iv) References herein to the destruction of any document include references to the disposal thereof in any manner.

(M) The Trustee may in relation to the acquisition, holding and disposal of any overseas Investment with the concurrence of the Managers utilise its own services on terms no less favourable to the Trust than would be applicable to a comparable customer without there being any liability to account therefor.

(N) For the purpose of providing Cover or Margin in respect of a Call Option written or to be written on behalf of the Trust the Trustee shall be entitled:-

- (i) in accordance with the instructions of the Managers and the rules and regulations of the relevant Recognised Stock Exchange or Recognised Option Exchange to charge, pledge or encumber any Investments forming part of the Deposited Property;
- (ii) to vest (subject to any conditions prescribed pursuant to the Prevention of Fraud (Investments) Act, 1958) any such Investments in a nominee for the Trustee approved by the Secretary of State for Trade; and
- (iii) in accordance with the instructions of the Managers and the rules and regulations of the relevant Recognised Stock Exchange or Recognised Option Exchange to give or obtain a Bank guarantee and deposit the same or at its discretion cash with such an Exchange or any company controlled by it and used for the purpose of receiving Margin.

Provided that (a) nothing in this Deed shall prevent the Managers or the Trustee or their respective Associates from providing guarantees for the purpose of Margin upon their normal terms of business and so being entitled to retain for their own use without liability to account for any benefit they may derive therefrom and (b) where any part of the Deposited Property or any document of title thereto is for the time being under the custody or control of some person other than the Trustee in consequence of providing such Cover or Margin the

provisions of this Deed as to the custody or control of the Deposited Property or documents of title thereto (including registration of Investments) shall be deemed not to have been infringed thereby and neither the Trustee nor the Managers shall be liable for the acts or omissions of any such other person.

CONCERNING THE MANAGERS

32. (A) IT shall be the duty of the Managers to prepare all cheques, warrants, statements and notices hereby provided for, to stamp the same as necessary and (where authorised by the Trustee) to sign the same on behalf of the Trustee and despatch them on the day on which they ought to be despatched or otherwise to deposit the same (with the necessary stamped addressed envelopes) with the Trustee so as to afford the Trustee reasonable time to examine and sign the same and despatch them on the proper day. It shall also be the duty of the Managers to prepare all Certificates required to be issued and to deposit the same with the Trustee for signature.

Managers to
prepare cheques
warrants and
Certificates

(B) In the absence of fraud or negligence the Managers shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by them in good faith hereunder.

(C) The Managers shall not be under any liability except such liability as may be expressly assumed by them under this Deed nor shall the Managers (save as herein otherwise appears) be liable for any act or omission of the Trustee.

(D) The fees and expenses of the Auditors shall be paid by the Managers.

Books

(E) The Managers shall keep or cause to be kept at their office in England proper books of account and records in which shall be entered all transactions effected by the Managers for account of the Trust and shall permit the Trustee and its representative from time to time on demand to examine and take copies of or extracts from any such books.

(F) Nothing herein shall prevent the Managers or any Associate of the Managers from contracting or entering into any financial, banking or other similar transaction with the Trustee (when acting other than in its capacity as Trustee of the Trust) or any Associate of the Trustee or any Holder or any company or body any of whose securities form part of the Deposited Property or from being interested in any such contract or transaction and the Managers or any such Associate shall not be in anywise liable to account either to the Trustee or to the Holders or any of them for any profit or benefit made or derived by the Managers or any such Associate thereby or in connection therewith.

ACCOUNTS

Accounts

33. (A) THE Managers shall procure to be forwarded to Holders once a year (and not more than nine months after the end of the period to which they relate) accounts which contain as a minimum the information indicated in Appendices "A" and "B" hereto or such other information as the Secretary of State may from time to time require. Such accounts shall be for a period (in the case of the first accounts) commencing from the commencement of the Trust and (in the case of subsequent accounts) from the end of the period to which the previous accounts related.

(B) Such accounts shall be audited by the Auditors and shall be accompanied by a report of the Auditors to the effect that the accounts and statements attached thereto have been examined with the books and records of the Trust and of the Managers in relation thereto and that the Auditors have obtained all the explanations and information they have required. The Auditors shall further report whether the accounts are in their opinion properly drawn up in accordance with such books and records to disclose the profits or losses accruing to the Managers from the Trust.

(C) Attached to such accounts there shall be a statement certified by the Auditors showing the amount and percentage gross profits made (before any deductions) or losses incurred from each of the following types of transactions:-

- (1) from the issue of Units;
- (2) from the sale of Units; and
- (3) from the cancellation of Units.

The percentage profit or loss from the issue of Units shall be calculated on the proceeds in the period of the issue of Units; the percentage profit or loss from the sale of Units shall be calculated on the proceeds in the period of the sale of Units; and the percentage profit or loss from the cancellation of Units shall be calculated on the cost to the Managers of the Units cancelled.

(D) If in respect of any of the three types of transaction above referred to there shall occur between the time of acquisition of Units by the Managers and the time of sale or cancellation thereof variations in the Value of the Deposited Property represented by such Units which shall on balance show a profit or loss to the Managers the Accounts shall in each case disclose such profit or loss.

(E) The accounts shall also be accompanied by a certificate signed by two directors of the Managers stating whether the Managers or any other person on their behalf have or have not:-

- (1) transferred Units to another person for sale, re-sale, cancellation or subsequent transfer to the Managers for sale, re-sale or cancellation;
- (2) acquired or disposed of Investments for account of the Trust otherwise than through a Recognised Stock Exchange or, as the case may be, a Recognised Option Exchange;
- (3) disposed of Units to another person for a price lower than the current offered price (other than Units issued or sold at a fixed price during the currency of an invitation to the public pursuant to Clause 13 (D)); or
- (4) acquired Units for a price higher than the current bid price;

and, if so, to what extent in each case. The Managers may append any explanation they deem desirable.

RETIREMENT OF TRUSTEE

34. THE Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee. In the event of the Trustee desiring to retire the Managers (or in default the Trustee) may by deed supplemental hereto appoint any corporation having a place of business in Great Britain which is permitted by Statute to act and is acceptable to the Secretary of State as trustee of an Authorised Unit Trust Scheme to be the Trustee in the place of the retiring Trustee.

Retirement
of Trustee

RETIREMENT OR REMOVAL OF MANAGERS

35. (A) THE Managers shall be subject to removal by notice in writing given by the Trustee to the Managers in any of the following events:-

Removal of
Managers

- (i) If the Managers go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed of any of their assets.
- (ii) If for good and sufficient reason the Trustee is of opinion and so states in writing that a change of Managers is desirable in the interests of the Holders: PROVIDED ALWAYS THAT if the Managers shall be dissatisfied with such opinion the matter shall be referred to the President for the time being of the Institute of Chartered Accountants in England and Wales or some person appointed by him (in each case acting as an expert and not as arbitrator) for determination and his determination shall bind the Trustee, the Managers and all Holders.

- (iii) If the Holders by Extraordinary Resolution passed at a meeting of Holders duly convened and held in accordance with the provisions of the First Schedule shall so decide.

In any of the cases aforesaid the Managers shall upon notice by the Trustee as aforesaid (but subject as in paragraph (ii) above provided) ipso facto cease to be the Managers and the Trustee shall by writing under its seal appoint some other qualified corporation to be the Managers upon and subject to such corporation entering into such deed or deeds as the Trustee may be advised to be necessary or desirable to be entered into by such corporation in order to secure the due performance of its duties as Managers which deed shall if so required by the retiring Managers provide that the Managers to be appointed thereunder shall purchase from the retiring Managers all Units of which they are the Holder or deemed to be the Holder at the price referred to in Clause 15 and that the word "Framlington" or any similar word shall not thereafter form part of the name of the Trust PROVIDED THAT this provision shall not prejudice the right of the Trustee herein contained to terminate the Trust in any of the events in which in accordance with the provisions herein contained the right of terminating the Trust is vested in the Trustee and PROVIDED FURTHER THAT if pursuant to paragraph (ii) hereof the Managers shall have referred the matter to the President for the time being of the Institute of Chartered Accountants in England and Wales or some other person appointed by him the Managers shall remain as Managers until the decision of the President or such other person as aforesaid is known unless the Trustee shall certify in writing that such delay is prejudicial to the interests of the Holders.

(B) The Managers shall have power to retire in favour of a qualified corporation approved by the Trustee upon and subject to such corporation entering into such deed or deeds as mentioned in the last preceding sub-clause. Upon such deed or deeds being entered into and upon payment to the Trustee of all sums due by the retiring Managers to the Trustee under this Deed at the date thereof the retiring Managers shall be absolved and released from all further obligations hereunder but without prejudice to the rights of the Trustee or of any Holder, former Holder or other person in respect of any act or omission prior to such retirement and the new Managers may and shall thereafter exercise all the powers and enjoy all the rights and shall be subject to all the duties and obligations of the Managers hereunder as fully as though such new Managers had been originally a party hereto.

(C) In this Clause the expression "qualified corporation" means a corporation acceptable to the Secretary of State as managers of an Authorised Unit Trust Scheme.

(D) Upon any removal or retirement the removed or retiring Managers shall (unless they have exercised their right under sub-clause (A) hereof to require the new Managers to

purchase the same) remain entitled to all Units which they hold or are deemed to hold and they shall be entitled to require the Trustee to issue to them a Certificate or Certificates in respect thereof (if not previously issued) and to be registered in the Register in respect thereof and thereafter to have and exercise all rights of a Holder of such Units.

ADVERTISEMENTS

36. (A) NO advertisement, circular or other document of that nature containing any statement with reference to the issue price of Units or the yield therefrom or containing any invitation to subscribe for or purchase Units shall be issued by or on behalf of the Managers until the Trustee has had a reasonable opportunity of considering the terms of the document and any such document shall not be so issued without the approval of the Trustee or unless within seven days after the document first comes under its consideration the Trustee has not notified its disapproval of the terms thereof in writing to the Managers.
- Advertisements and other documents
- Reference to Trustee
- (B) In all letters or circulars or advertisements or other publications referring to the issue or sale of Units reference shall be made to the Trustee only in terms previously approved by the Trustee.
- Statement of yield
- (C) No advertisement, circular or other document of that nature (unless approved by the Secretary of State) containing any statement with respect to the issue price of Units or the payments or other benefits received or likely to be received by Holders of Units or containing any invitation to subscribe for or purchase Units shall be issued by or on behalf of the Managers unless the document in question also contains a statement of the yield from the Units.
- Calculation of yield
- (D) As regards advertised yield the following provisions shall apply:-
- (i) The yield shall be determined by the Managers by reference to the estimated yearly income of the Trust calculated on the date of publication of the yield (or as near that date as practicable) and to the offered price of Units on such date (or as near as aforesaid).
- (ii) The income of the Trust for this purpose shall be the amount arrived at by deducting from the net income from the Deposited Property:-
- (a) the Management Participation (at the rate currently applicable but adjusted where necessary to take account of any change effected or of which notice has been given by the Managers pursuant to the definition of "Management Participation" in Clause 1(A) (xxvii)) based on the current Value of the Deposited Property together with a sum equal

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to the value added tax chargeable in respect of the services supplied in consideration of the said Management Participation at the rate currently in force but adjusted where necessary to take into account any publicly announced changes in rate;

- (b) the estimated amount of one year's expenses paid or payable out of the Deposited Property pursuant to the provisions of this Deed which the Managers after consultation with the Auditors deem to be properly payable out of income other than those expenses deducted pursuant to paragraph (c) below;
- (c) the amount or estimated amount of one year's interest on any borrowings effected under Clause 20 and outstanding on the relevant date together with the amount or estimated amount of one year's expenses paid or to be paid out of the Deposited Property pursuant to Clause 20(B) which is deemed by the Managers after consultation with the Auditors to be properly payable out of income;
- (d) the estimated amount of corporation tax, if any, payable on the income of the Trust after allowing for any appropriate double tax relief in respect of the Trust's income from overseas;
- (e) the estimated amount of other taxes (if any) payable by the Trust in respect of its income;

and by adding thereto the estimated amount of tax, if any, recoverable by the Trust in respect of income; and by grossing up the resulting sum at the basic rate of income tax for the time being in force.

- (iii) The net income from an Investment other than a fixed interest Investment shall be calculated by reference to the dividend declared (or, in the case of an overseas source of income, to the net amount received by the holder of the Investment in the United Kingdom) for the last completed financial year of the company in which the Investment is held and for which the relevant information is available.
- (iv) Where the last completed financial year relates to a period greater or less than a calendar year, the net income shall be adjusted accordingly.
- (v) There may be deducted from such net income such amount (if any) as in the opinion of the Managers represents proper provision for amortisation in the case of Investments in companies deriving their income

solely or mainly from the exploitation of wasting assets.

- (vi) The net income also shall be adjusted to take account of:-
 - (a) any decrease in dividend forecast and publicly announced by the company concerned for a subsequent financial year; and
 - (b) any alteration in capital structure effected by a capitalisation issue.
- (vii) The net income may also be adjusted with the consent of the Auditors or Trustee to take account of:-
 - (a) any increase in dividend forecast and publicly announced by the company concerned for a subsequent financial year; and
 - (b) any alteration in capital structure other than one effected by a capitalisation issue or one accompanied by a forecast of a decrease in dividend.
- (viii) The Managers, if called upon to do so, shall furnish to the Trustee full details of the calculation of the current yield certified by the Auditors to the Trust.

TERMINATION OF THE TRUST

37. (A) EITHER the Trustee or the Managers may in their absolute discretion terminate the Trust by not less than one year's notice in writing to the other given so as to expire at the end of the Accounting Period ending in the year 2001 or any fifteenth year thereafter. Either the Trustee or the Managers shall be entitled by notice in writing as aforesaid to make the continuation of the Trust beyond any such date conditional on the revision to its or their satisfaction at least six months before the relevant date of its or their remuneration hereunder and in such event the Trust shall be discontinued on that date unless at least four months before the relevant date such condition is satisfied or withdrawn or (in the case of such a condition being imposed by the Trustee) a new Trustee shall be appointed and arrangements for the remuneration of the new Trustee made to its satisfaction. In the event that the Trust shall fall to be terminated or discontinued the Managers shall give notice thereof to all Holders not less than six months in advance. Subject as aforesaid the Trust shall continue until terminated in manner hereinafter provided.

(B) The Trust may be terminated by the Trustee by notice in writing as hereinafter provided in any of the following events, namely:-

- (i) If the Managers shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee), or if a receiver is appointed of any of their assets or if they shall cease business or if they shall become (in the sole judgment of the Trustee) subject to the de facto control of some person or corporation of whom the Trustee does not approve;
- (ii) If in the opinion of the Trustee the Managers shall be incapable of performing or shall in fact fail to perform their duties satisfactorily or shall do any other thing which in the opinion of the Trustee is calculated to bring the Trust into disrepute or to be harmful to the interests of the Holders: PROVIDED ALWAYS THAT if the Managers shall be dissatisfied with such opinion the matter shall be referred to the President for the time being of the Institute of Chartered Accountants in England and Wales or some person appointed by him (in each case acting as an expert and not as an arbitrator) for determination and his determination shall bind the Trustee and the Managers and all Holders;
- (iii) If the Trust shall cease to be an Authorised Unit Trust Scheme or if any law shall be passed which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Trust;
- (iv) If within the space of three months from the date of the Trustee expressing in writing to the Managers the desire to retire no new trustee shall have been appointed pursuant to Clause 34.

Subject as mentioned in paragraph (ii) above the decision of the Trustee in any of the events specified in this sub-clause shall be final and binding upon all the parties concerned but the Trustee shall be under no liability on account of any failure to terminate the Trust pursuant to this Clause or otherwise. The Managers shall accept the decision of the Trustee and the Trustee shall not be under any liability to the Managers in respect thereof.

(C) The Trust may be terminated by the Managers in their absolute discretion by notice in writing as hereinafter provided (i) if on any date falling more than two years after the date of this Deed the aggregate Value of the Deposited Property shall be less than £4,000,000 or (ii) if the Trust shall cease to be an Authorised Unit Trust Scheme, or if any law shall be passed which renders it illegal or in the opinion of the Managers impracticable or inadvisable to continue the Trust. The decision of the Managers in any of the events specified in this sub-clause shall be final and binding on all the parties concerned but the Managers shall be under no liability on account of any failure to terminate the Trust pursuant to this Clause or otherwise.

Notice of
termination

(D) The party terminating the Trust shall give notice thereof to the Holders in manner herein provided and by such notice fix the date at which such termination is to take effect which date shall not be less than six months after the service of such notice.

(E) The Trust may at any time be terminated by Extraordinary Resolution of a Meeting of the Holders duly convened and held in accordance with the provisions contained in the First Schedule and such termination shall take effect from the date on which the said Resolution is passed or such later date (if any) as the said Resolution may provide.

Manner of
liquidation

38. UPON the Trust being terminated the Trustee shall subject to authorisations or directions (if any) given to it by the Holders pursuant to their powers contained in the First Schedule proceed as follows:-

(A) The Trustee shall sell all Investments then remaining in its hands as part of the Deposited Property and shall pay thereout all liabilities properly so payable and such sale shall be carried out and completed in such manner and within such period after the termination of the Trust as may be practicable and as the Trustee thinks advisable.

(B) The Trustee shall from time to time distribute to the Holders in proportion to their respective interests in the Deposited Property all net cash proceeds derived from the realisation of the Deposited Property and any other cash then forming part of the Deposited Property and available for the purposes of such distribution PROVIDED THAT the Trustee shall not be bound (except in the case of the final distribution) to distribute any of the moneys for the time being in its hands the amount of which is insufficient to pay 25p in respect of each Unit and PROVIDED ALSO THAT the Trustee shall be entitled to retain out of any moneys in its hands as part of the Deposited Property under the provisions of this Clause full provision for all costs, charges, expenses, claims and demands incurred, made or apprehended by the Trustee in connection with or arising out of the liquidation of the Trust and out of the moneys so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands. Subject to a deed supplemental hereto having been duly executed pursuant to Clause 41 and in accordance with the provisions of such deed the Trustee may distribute the whole or any part of the entitlement of a Holder in specie or kind. Except in the case of distributions made to the Managers in respect of Units to which they are entitled but for which a Certificate has not been issued to them every such distribution shall be made only against production of the Certificate relating to the Units in respect of which the same is

made and upon delivery to the Trustee of such form of request for payment as the Trustee shall in its absolute discretion require. All Certificates shall in the case of an interim distribution be enclosed by the Trustee with a memorandum of the payments made and in the case of the final distribution shall be surrendered to the Trustee. Any unclaimed proceeds or other cash held by the Trustee under the provisions of this Clause may at the expiration of twelve months from the date upon which the same were payable be paid into Court subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.

Amalgamation 39. (A) A MEETING of Holders may by Extraordinary Resolution approve and adopt any scheme for the amalgamation of the Trust with any other Authorised Unit Trust Scheme such scheme containing any provisions necessary or expedient in that behalf including (without prejudice to the generality of the foregoing) provisions for the deposited property under any other Authorised Unit Trust Scheme or part thereof to be held upon the trusts applicable to the Trust and for unit holders under such other Authorised Unit Trust Scheme to become entitled in replacement of their units in such other Authorised Unit Trust Scheme to Units in the Trust Provided that:-

(i) such scheme is proposed by the Managers and approved by the Trustee as a proper scheme to be laid before Holders; and

(ii) such scheme involves as a final stage after completion of the amalgamation of the Trust with any other Authorised Unit Trust Scheme the termination of such other Authorised Unit Trust Scheme

and any scheme so approved and adopted by an Extraordinary Resolution shall be binding on all Holders and shall be carried into effect by the issue of Units and otherwise accordingly.

(B) The Trust may at any time with the sanction of an Extraordinary Resolution of a Meeting of Holders duly convened and held in accordance with the provisions of the First Schedule hereto be amalgamated with any other Authorised Unit Trust Scheme on the basis of a scheme of amalgamation providing that the Deposited Property shall be transferred to or otherwise vested in the trustee of that other Authorised Unit Trust Scheme freed and discharged from the trusts of this Deed and that the Holders shall become entitled to interests in such Authorised Unit Trust Scheme in substitution for their interests in the Trust in such proportions and in such manner as the terms of such scheme of amalgamation shall prescribe Provided that:-

(i) such scheme is proposed by the Managers and approved by the Trustee as a proper scheme to be laid before Holders; and

(ii) such scheme involves the termination of the Trust as a final stage after such scheme has become effective

and any scheme so approved and adopted by an Extraordinary Resolution of a Meeting of Holders shall be binding on all Holders and carried into effect by the issue of units in such other Authorised Unit Trust Scheme and otherwise accordingly.

NOTICES

40. (A) ANY notice required to be served upon a Holder shall be deemed to have been duly given if sent by post to or left at his address as appearing in the Register. Any notice so served by post shall be deemed to have been served two days after that on which the same was posted, and in proving such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.

Notice to Holders

(B) Service of a notice or document on any one of several joint Holders shall be deemed effective service on the other joint Holders.

(C) Any notice or document sent by post to or left at the registered address of a Holder in pursuance of this Deed shall notwithstanding that such Holder be then dead or bankrupt and whether or not the Trustee or the Managers have notice of his death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units concerned.

(D) All notices or documents sent by post by the Trustee or the Managers shall be sent at the risk of the person entitled to them.

MODIFICATION OF TRUST DEED

41. (A) THE Trustee and the Managers shall be entitled by deed supplemental hereto to modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose (including in particular and without prejudice to the generality of the foregoing to provide for any distribution in specie): PROVIDED THAT, unless the Trustee shall certify in writing that in its opinion such modification, alteration or addition does not prejudice the interests of the Holders and does not operate to release the Trustee or the Managers from any responsibility to the Holders, no such modification, alteration or addition shall be made without the sanction of an Extraordinary Resolution of a meeting of Holders duly convened and held in accordance with the provisions contained in the First Schedule: PROVIDED ALSO THAT no such modification, alteration or addition shall impose upon any Holder any obligation to make any further payment in respect of his Units or to accept any liability in respect thereof.

Modification of Trust Deed

(B) Without prejudice to the foregoing the Trustee and the Managers shall be entitled by deed supplemental hereto (and without the sanction of an Extraordinary Resolution as aforesaid) to modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider necessary or expedient having regard to the provisions of any fiscal legislation, and any arrangements approved by the Inland Revenue in relation to the carrying into effect thereof in relation to Authorised Unit Trust Schemes: PROVIDED THAT, unless the Trustee shall certify in writing that in its opinion such modification, alteration or addition does not operate to release the Trustee or the Managers from any responsibility to the Holders, no such modification, alteration or addition shall be made without the sanction specified in the preceding sub-clause: PROVIDED ALSO THAT no such modification, alteration or addition shall impose upon any Holder any obligation to make any further payment in respect of his Units or to accept any liability in respect thereof.

(C) All costs and expenses incurred by the Trustee or the Managers in connection with any such supplemental Deed referred to in sub-clause (B) above or necessitated by any change in the law (including the expenses incurred in the holding of a meeting of Holders where necessary) shall be charged against the Deposited Property.

MEETINGS OF HOLDERS

42. THE provisions set out in the First Schedule shall have effect as if the same were included herein.

I N W I T N E S S whereof this Deed has been entered into the day and year first above written.

THE FIRST SCHEDULE

MEETINGS OF HOLDERS

1. The Trustee or the Managers may (and the Managers shall at the request in writing of Holders registered as holding not less than one-tenth in Value of the Units in issue) at any time convene a meeting of Holders at such time and place (subject as hereinafter provided) as may be thought fit and the following provisions of this Schedule shall apply thereto. The Managers shall be entitled to receive notice of and attend at any such meeting but shall not be entitled to vote or be counted in the quorum thereof and accordingly for the purposes of the following provisions of this Schedule Units held or deemed to be held by the Managers shall not be regarded as being in issue. Any Associate of the Managers which is a Holder shall not be entitled to vote at but may be counted in the quorum for any such meeting. The Trustee and its directors and any authorised official and solicitor of the Trustee shall be entitled to attend at any such meeting. Any such meeting shall be held either in London or at such other place as the Trustee may determine or approve. All expenses incurred by the Trustee or the Managers in connection with the holding of a meeting of Holders shall be charged against the Deposited Property Provided that if the Trustee shall be of the opinion that any such meeting is not held primarily for the benefit of Holders it may so notify the Managers and in that event the said expenses shall be borne by the Managers.

2. A meeting of Holders duly convened and held in accordance with the provisions of this Schedule shall be competent by Extraordinary Resolution:-
 - (i) To sanction any change in the investment policy or objectives of the Trust proposed by the Managers and approved by the Trustee;
 - (ii) To sanction any modification, alteration or addition to the provisions of the within written Trust Deed which shall be agreed by the Trustee and the Managers as provided in Clause 41 of the said Trust Deed;
 - (iii) Without prejudice to paragraph 2(ii), to approve a Supplemental Deed to increase the maximum permitted rate of the Management Participation;
 - (iv) To terminate the Trust as provided in Clause 37(E) of the said Trust Deed;
 - (v) To remove the Managers as provided in Clause 35(A) (iii) of the said Trust Deed;
 - (vi) To approve any such scheme as is mentioned in Clause 39 (A) or (B) of the said Trust Deed.

but shall not have any further or other powers.

3. Subject to the provisions of paragraph 5 fourteen days' notice at least (inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the Holders in manner provided in the within written Trust Deed. The notice shall specify the place, day and hour of the meeting and the terms of the resolutions to be proposed. A copy of the notice shall be sent by post to the Trustee unless the meeting shall be convened by the Trustee. The accidental omission to give notice to or the non-receipt of notice by any of the Holders shall not invalidate the proceedings at any meeting.
4. The quorum shall be the Holders present in person or by proxy of 25 per cent in Value of all the Units for the time being in issue. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.
5. If within half an hour from the time appointed for the meeting a quorum is not present the meeting if convened upon the requisition of Holders shall be dissolved. In any other case it shall stand adjourned to such day and time not being less than fifteen days thereafter and to such place as may be appointed by the Chairman; and at such adjourned meeting the Holders present in person or by proxy shall be a quorum. At least seven days' notice of any adjourned meeting of Holders shall be given in the same manner as for an original meeting and such notice shall state that the Holders present at the adjourned meeting whatever their number and the Value of the Units held by them will form a quorum.
6. Some person (who need not be a Holder) nominated in writing by the Trustee shall preside at every meeting and if no such person is nominated or if at any meeting the person nominated shall not be present within fifteen minutes after the time appointed for holding the meeting the Holders present shall choose one of their number to be Chairman.
7. The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time 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.
8. At any meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or by one or more Holders present in person or by proxy and holding or representing one-twentieth in Value of the Units for the time being in issue. Unless a poll is so demanded a declaration by the

Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

9. If a poll is duly demanded it shall be taken in such manner as the Chairman may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
10. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the Chairman directs. A demand for a poll may be withdrawn at any time. No notice need be given of a poll not taken immediately.
11. Subject as aforesaid the demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
12. On a show of hands every Holder who (being an individual) is present in person or (being a corporation) is present by one of its officers as its proxy shall have one vote. On a poll every Holder who is present in person or by proxy shall have one vote for every Income Unit of which he is the Holder and the same number of votes (including fractions of a vote) for every Accumulation Unit of which he is the Holder as the number (including fractions) of undivided shares in the Deposited Property represented by one Accumulation Unit. A person entitled to more than one vote need not use all his votes or cast them the same way.
13. In the case of joint Holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint Holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Holders.
14. On a poll votes may be given either personally or by proxy.
15. The instrument appointing a proxy shall be in writing, under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised.
16. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority shall be deposited at such place as the Trustee or the Managers with the approval of the Trustee may in the notice convening the meeting direct or if no such place is appointed then at the

registered office of the Managers not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution. A person appointed to act as a proxy need not be a Holder.

17. An instrument of proxy may be in the usual common form or in any other form which the Trustee shall approve.
18. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Units in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received at the place appointed for the deposit of proxies or if no such place is appointed at the registered office of the Managers before the commencement of the meeting or adjourned meeting at which the proxy is used.
19. Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Managers at the expense of the Managers and any such minute as aforesaid if purporting to be signed by the Chairman of the meeting shall be conclusive evidence of the matters therein stated and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed.
20. For the purposes of this Schedule and the said Trust Deed an Extraordinary Resolution means a Resolution proposed and passed as such by a majority consisting of 75 per cent. or more of the total number of votes cast for and against such Resolution.
21. If the Trustee is of the opinion that any Extraordinary Resolution to be proposed is one in relation to which there is or might be a conflict of interests between the Holders of Accumulation Units and the Holders of Income Units such Resolution shall be deemed to have been duly passed only if in lieu of being passed at a single meeting of all Holders it shall be duly passed at separate meetings of the Holders of Accumulation Units and of Income Units respectively. To each such separate meeting all the preceding provisions of this Schedule shall apply as though references therein to Units and Holders were references to Units of the type in question and to the Holders of such Units respectively.

22. An Extraordinary Resolution shall be binding upon all Holders whether present or not present at the meeting and each of the Holders and the Trustee and the Managers shall subject to the provisions relating to indemnity in this Deed contained be bound to give effect thereto accordingly.

THE SECOND SCHEDULE

THE FORM OF UNDERTAKING REFERRED TO IN CLAUSE 10
OF THE FOREGOING TRUST DEED

1. To keep the Register in all respects in accordance with the requirements of the said Trust Deed.
2. To maintain and conduct the Register in such form and in such manner as the Trustee may from time to time direct and to permit no alteration in the form of the Register or its conduct without the consent in writing of the Trustee which the Trustee shall be entitled to give or to withhold at its entire discretion.
3. To comply promptly with all requirements which may be notified to it from time to time by the Trustee as to the form and conduct of the Register.
4. At all times to supply to and at the request of the Trustee all such information and explanations in relation to the Register and the conduct thereof as the Trustee may require.
5. To permit the Trustee or any person representing it to have access at all times to the Register and to all subsidiary records and all documents, orders, transfers, cancelled Certificates or other papers relating to the conduct of the Register.
6. To permit the Trustee, its authorised officials or any person representing it to attend at the Managers' or other agents' premises at any time with or without previous notice to inspect any documents it may wish to see and to carry out such checks as may seem to it to be desirable.
7. To take out and maintain in full force and effect at the expense of the person keeping the Register an insurance policy in favour of the Trustee such policy to be with an insurance company and in a form approved by the Trustee and to provide the same with cover against all loss or damage suffered by the Trustee arising from any misconduct, mistake, oversight, error of judgment, forgetfulness, or want of prudence, fraud or negligence of the person keeping the Register and of the employees of such person.

(THE COMMON SEAL of
(FRAMLINGTON UNIT MANAGEMENT
(LIMITED was hereunto affixed in
(the presence of:-

C.S.

D. STALHAM Director

S.M. PECKETT Secretary

(GIVEN under the COMMON
(SEAL of LLOYDS BANK Plc
(in the presence of:-

C.S.

L.B. COX Authorised
Signatory

F.A.C. MASLEN Authorised
Counter Signatory

APPENDIX "A"

ACCOUNT relating to FRAMLINGTON EUROPEAN FUND

(This Account must cover the same period as the accounts of the Managers)

Opening Stocks brought forward	£	Proceeds of Sale of New Units (less	£
Units repurchased and not cancelled		Preliminary Charge and adjustment	
or resold (at repurchase prices		authorised under sub-Clause (C) of	
including transfer duty)		Clause 13 of the Trust Deed)	
Amount available for Investment		Preliminary Charge from Sale of New Units	
retained by Trustee for account		Authorised adjustments mentioned above	
of the Trust		Proceeds of sale of repurchased Units	
Cost of repurchased Units		Cash received from Trustee on cancellation	
Other payments		of Units	
Balance, being gross profit from		Distributions received or receivable by	
transactions in Units		Managers on Units held by them	
		Other receipts	
		Closing Stocks carried forward	
		Units repurchased and not cancelled or	
		resold (at repurchase price including	
		transfer duty)	
		Balance, being gross loss from transactions	
		in Units	
	£		£

APPENDIX "B"

ACCOUNT of FRAMLINGRON UNIT MANAGEMENT LIMITED
in relation to FRAMLINGTON EUROPEAN FUND

(This Account must cover the same period as the accounts of the Trust)

Gross Loss from transactions in Units	£	Gross Profit	£
Paid to Trustee for remuneration		Amount of Management Participation derived from income or capital of the Trust	
Cost of advertising and publicity		Interest on Management Fund received by Managers	
Other management expenses		Drawn from Management Fund set aside from proceeds of Units	
Other expenditure		Other income	
Balance, being net profit derived from the management of the Trust	£	Balance, being net loss arising from the management of the Trust	£