

GOLDEN PROSPECT PRECIOUS METALS LIMITED

SUBSCRIPTION SHARES

The following are the rights and obligations attaching to the subscription shares of no par value in Golden Prospect Precious Metals Limited ("**Subscription Shares**") as previously established by a resolution of the Directors of the Company, as set out in Part V of the CISX Listing Document dated 24 October 2011 and as varied by a resolution of the holders of Subscription Shares passed at a separate meeting of such holders held on 2 May 2013.

Please note that as a result of the amendment to paragraph (a)(v) below approved by a resolution of the holders of Subscription Shares passed at a separate meeting of such holders held on 2 May 2013, the Company is no longer obliged to send out (and will no longer be sending out) quarterly reminder notices regarding the exercise of Subscription Rights until shortly before the Final Subscription Date of 28 November 2014.

"DETAILS OF THE SUBSCRIPTION SHARES

Terms of the Subscription Shares

The rights and obligations attaching to the Subscription Shares are set out in full below. The Subscription Shares have been established by a resolution of the Directors pursuant to their powers under the Articles and prospective investors should therefore review this section in conjunction with the Articles, a copy of which is available from the Company and is also available for download from the section of NCIM's website dedicated to the Company – <http://www.ncim.co.uk/gppm>

(a) *Subscription Rights*

- (i) A registered holder for the time being of Subscription Shares (a "**Subscription Shareholder**") shall have rights ("**Subscription Rights**") to convert all or any of his Subscription Shares into fully paid Ordinary Shares on the basis of one Ordinary Share for every Subscription Share so converted and so on in proportion for any greater or lesser number of Subscription Shares (the "**Conversion Rate**") by:
 - (A) subscribing in cash on the last business day in August, November, February or May after and including the last business day in May 2012 (each a "**Subscription Date**") for all or any of the Ordinary Shares for which it is entitled to subscribe in respect of such Subscription Shares of which it is the holder at the price 130 pence per Ordinary Share (the "**Subscription Price**") payable in full on subscription with the final date being 28 November 2014 (the "**Final Subscription Date**"); and
 - (B) otherwise complying with paragraph (a)(iii) below.

The number of Ordinary Shares to which each Subscription Share relates is one Ordinary Share, but the Subscription Price (and the number of Subscription Shares outstanding) will be subject to adjustment as provided in paragraph (b) (*Adjustment of Subscription Rights*) below,

- (ii) Subscription Shares will be issued in either certificated form ("**Certificated Subscription Shares**") or uncertificated form ("**Uncertificated Subscription Shares**"). In the case of:
 - (A) Certificated Subscription Shares, a Subscription Shareholder will be entitled to a share certificate in respect of his holding of Subscription Shares; and
 - (B) Uncertificated Subscription Shares, a Subscription Shareholder's title to such Subscription Shares will be recorded in the relevant register as being held in such form as will by virtue of the Uncertificated Securities Regulations 2001 (*SI 2001 No. 3755*) ("**Regulations**") enable the transfer of title to the Subscription Shares to be effected without a written instrument by means of a relevant electronic system (a "**Relevant Electronic System**").

- (iii) In order to exercise the Subscription Rights in respect of any Certificated Subscription Shares on any Subscription Date, in whole or in part, the Subscription Shareholder must lodge the relevant Subscription Share certificate(s) (or such other document as the Company may, in its discretion, accept) at the office of the Registrar during the period of 28 days ending at 3.30 p.m. on the relevant Subscription Date having completed the notice of exercise of Subscription Rights thereon accompanied by a remittance for the Subscription Price for the Ordinary Shares in respect of which the Subscription Rights are being exercised. Any notice of exercise received after 3.30 p.m. on any business day will be treated as having been exercised on the following business day. The Directors may accept as valid, notices of exercise of Subscription Rights which are received after the relevant Subscription Date ("**Certificated Subscription Notice**") provided they are accompanied by the correct remittance, as described above. Once lodged, a notice of exercise of Subscription Rights shall be irrevocable save with the consent of the Directors. Compliance must also be made with any statutory and regulatory requirements for the time being applicable.
- (iv) The Subscription Rights which are conferred by any Uncertificated Subscription Shares shall be exercisable, in whole or in part, (and treated by the Company as exercised) on the relevant Subscription Date if, not later than 1.00 p.m. on the relevant Subscription Date (i) an Uncertificated Subscription Notice is received as referred to below and (ii) a remittance for the aggregate Subscription Price for the Ordinary Shares in respect of which the Subscription Rights are being exercised is received by the Company (or by such person as it may require for these purposes). For these purposes, an "**Uncertificated Subscription Notice**" shall mean a properly authenticated dematerialised instruction and/or other instruction or notification received by the Company (or by such person as it may require for these purposes) in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to the regulations and the facilities, rules and requirements of the Relevant Electronic System). The Directors may, in addition but subject to the regulations and facilities and requirements of the Relevant Electronic System, determine when any such properly authenticated dematerialised instruction and/or other instruction or notification and any such remittance is to be treated as received by the Company or by such person as it may require for these purposes. Without prejudice to the generality of the foregoing, the effect of the Uncertificated Subscription Notice may be such as to divest the Subscription Shareholder concerned of the power to transfer such Subscription Shares to another person. Once lodged, an Uncertificated Subscription Notice shall be irrevocable save with the consent of the Directors. To be effective, compliance must also be made with any statutory and regulatory requirements for the time being applicable.
- (v) Not earlier than 56 days nor later than 28 days before the Final Subscription Date, the Company shall give notice in writing to the holders of the outstanding Subscription Shares reminding them of their Subscription Rights and, in relation to any Uncertificated Subscription Shares, stating, the form of Uncertificated Subscription Notice prescribed by the Directors.
- (vi) Ordinary Shares issued pursuant to the exercise of Subscription Rights which are conferred by any Certificated Subscription Shares will be allotted within ten (10) business days of the relevant Subscription Date. The Ordinary Shares arising on exercise of the Subscription Rights shall be allotted with effect from the date of their allotment (and not the date upon which the Certificated Subscription Notice is given or deemed given in accordance with paragraph (a)(iv) above). Certificates in respect of such Ordinary Shares, together, if applicable, with a new certificate for the balance of any Certificated Subscription Shares in respect of which the Subscription Rights have not been exercised, will be despatched (at the risk of the person(s) entitled thereto) not later than twenty eight (28) days after the relevant allotment date to the person(s) in whose name(s) the Subscription Share is registered at the date of exercise (and, if more than one, to the first-named, which shall be sufficient despatch for all) or (subject as provided by law and to the payment of stamp duty reserve tax or any other tax as may be applicable) to such other person(s) (not being more than four in number) as may be named in the form of nomination available for the purpose from the Company's

registrars (and, if more than one, to the first-named, which shall be sufficient despatch for all).

- (vii) Ordinary Shares issued pursuant to the exercise of Subscription Rights which are conferred by any Uncertificated Subscription Shares will be allotted within ten (10) business days of the relevant Subscription Date. The Ordinary Shares arising on exercise of the Subscription Rights shall be allotted with effect from the date of their allotment (and not the date upon which the Uncertificated Subscription Notice is given or deemed given in accordance with paragraph (a)(iii) above). The Company shall procure that the appropriate instructions are given to enable such Ordinary Shares to be credited in uncertificated form to the relevant account within the Relevant Electronic System of the person(s) in whose name(s) the Subscription Shares in respect of which the Subscription Rights have been exercised were registered as at the date of such exercise or (subject as provided by law, to the payment of stamp duty reserve tax or any other tax as may be applicable, to such terms and conditions as the Directors may from time to time prescribe for this purpose, to the regulations, and the facilities, rules and requirements of the Relevant Electronic System)) to such other person(s) (not being more than four in number) as may be named in the properly authenticated dematerialised instruction and/or other instruction or notification in such form.
- (viii) For the avoidance of doubt, unless the Directors otherwise determine or unless the regulations or the facilities, rules or requirements of the Relevant Electronic System otherwise require, the Ordinary Shares issued on the exercise of any Subscription Rights shall be issued in certificated form where such Subscription Rights were conferred by Certificated Subscription Shares and in uncertificated form where such Subscription Rights were conferred by Uncertificated Subscription Shares.
- (ix) Ordinary Shares allotted pursuant to the exercise of Subscription Rights will not rank for any dividends or other distributions declared, paid or made on the Ordinary Shares by reference to a record date prior to the relevant Subscription Date but, subject thereto, will rank in full for all dividends and other distributions declared, paid or made on the Ordinary Shares and otherwise will rank *pari passu* in all other respects with the Ordinary Shares in issue at the relevant Subscription Date.
- (x) Applications will be made to the Channel Islands Stock Exchange and to the London Stock Exchange for the Ordinary Shares allotted pursuant to any exercise of Subscription Rights to be admitted to the Official List of the Channel Islands Stock Exchange and to trading on SETSqx (respectively).
- (xi) If, immediately after any Subscription Date (other than the Final Subscription Date) and after giving effect to any Subscription Rights exercised on that date, Subscription Rights shall have been exercised in respect of 75 per cent. or more of the Ordinary Shares to which the total number of Subscription Shares issued relate (excluding any Ordinary Shares to which Subscription Rights attached to Subscription Shares purchased by the Company or any or its subsidiaries relate), the Company shall be entitled within fourteen (14) days thereafter to serve notice in writing on the holders of the Subscription Shares then outstanding of its intention to appoint a trustee for the purposes set out below upon the expiry of twenty one (21) days from the *date* of such notice (the "**Notice Period**") and for this purpose the Notice Period shall expire at 3.30 p.m. upon the 21st day. However, such notice shall in its terms give the holders of the Subscription Shares so outstanding a final opportunity to exercise their Subscription Rights in the manner set out at paragraphs (a)(iii) and (a)(iv) above before the expiry of the Notice Period. Forthwith after the expiry of the Notice Period, the Company shall appoint a trustee who, provided that in his opinion the net proceeds of sale after deduction of all costs and expenses incurred by him will exceed the costs of subscription, shall within the period of fourteen (14) days following the expiry of the Notice Period exercise the Subscription Rights which shall not have been exercised on the terms (subject to any adjustments pursuant to paragraph (b)(i) to (b)(vi) below) on which the same could have been exercised immediately prior to the expiry of the Notice Period if they had been

exercisable and been exercised and sell in the market the Ordinary Shares acquired on such subscription. The trustee shall distribute *pro rata* the net proceeds of such sale less such subscription costs and such other costs and expenses to the persons entitled thereto within two (2) months of the relevant Subscription Date, provided that entitlements of under £3.00 shall be retained for the benefit of the Company.

Following the expiry of the Notice Period, if the trustee shall not exercise the Subscription Rights within the period of fourteen (14) days following such expiry as aforesaid (and his decision in respect thereof shall be final and binding on all holders of outstanding Subscription Shares), all Subscription Rights shall lapse and all outstanding Subscription Shares shall be converted into special deferred shares (as defined at paragraph (a)(viii) below) ("**Special Deferred Shares**").

- (xii) Special Deferred Shares shall only be issued in certificated *form*. Special Deferred Shares shall on a return of assets in a winding-up entitle the holder only to the repayment of the amounts paid up on such shares after repayment of the capital paid up on the Ordinary Shares and shall not entitle the holder to the payment of any dividend nor to receive notice of or to attend or vote at any general meeting of the Company and such conversion shall be deemed to confer irrevocable authority on the Company at any time thereafter to appoint any person to execute on behalf of the holders of such shares a transfer thereof and/or an agreement to transfer the same, without making any payment to the holders thereof, to such person as the Company may determine as custodian thereof and to cancel and/or purchase the same without making the payment to or obtaining the sanction of the holder thereof and pending such transfer and/or cancellation and/or purchase to retain the certificate for such shares. The Company may at its option at any time after the creation of any Special Deferred Shares redeem all or any of the Special Deferred Shares then in issue, at a price not exceeding 1p for all the Special Deferred Shares redeemed.
- (xiii) Within seven (7) days following the Final Subscription Date, the Company shall appoint a trustee who, provided that in his opinion the net proceeds of sale after deduction of all costs and expenses incurred by him will exceed the costs of subscription, shall within the period of fourteen (14) days following such Final Subscription Date exercise the Subscription Rights which shall not have been exercised on the terms on which the same could have been exercised on the Final Subscription Date and sell in the market the Ordinary Shares acquired on such subscription. The trustee shall distribute *pro rata* the net proceeds of such sale less such subscription costs and such other costs and expenses to the persons entitled thereto at the risk of such persons within two (2) months of the Final Subscription Date, provided that entitlements of under 0.00 shall be retained for the benefit of the Company. If the trustee shall not exercise the Subscription Rights within the period of fourteen (14) days following such final subscription as aforesaid (and his decision in respect thereof shall be final and binding on all holders of outstanding Subscription Shares), all Subscription Rights shall lapse and all outstanding Subscription Shares shall be converted into Special Deferred Shares.
- (xiv) The trustee referred to in paragraphs (a)(xi) and (a)(xiii) above shall have no liability of any nature whatsoever where he has acted honestly and reasonably and shall have no responsibility for the safe custody of, or to earn any interest on, any unpaid or unclaimed money.
- (xv) The Subscription Shares and the Ordinary Shares arising on exercise of the Subscription Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) and the relevant exemptions have not been and will not be obtained from the Securities Commission or similar regulatory authority of any province of Canada.
- (xvi) Conversion of such Subscription Shares as are due to be converted as aforesaid on any Subscription Date (in this paragraph (a) referred to as the "**Relevant Shares**") shall be effected in accordance with the following provisions of this paragraph (a) or in such other manner as may be authorised by law.

(xvii) To enable conversion to be effected the Directors shall, and are hereby authorised to, capitalise any part of the amount then standing to the credit of any of the Company's reserve accounts (whether or not the same would lawfully be distributable by way of cash dividend) or to the credit of the stated capital account, capital redemption reserve, profit and loss account or otherwise available for the purpose and the same shall be applied in paying up in full the shares created and to be issued pursuant to the preceding paragraphs above (or such of those shares as shall not have been created and issued pursuant to such paragraphs) to be allotted and issued, credited as fully paid, to and amongst the holders of the Subscription Shares exercising their subscription rights in accordance with their respective entitlements.

(b) *Adjustment of Subscription Rights*

The Subscription Price (and the number of Subscription Shares outstanding) shall from time to time be adjusted in accordance with the provisions of this paragraph (b):

- (i) if and whenever there shall be an alteration in the amount of the Ordinary Shares as a result of a consolidation, the Subscription Price in force immediately prior to such alteration shall be adjusted by multiplying it by a fraction of which the numerator shall be the amount of one such Ordinary Share immediately after such alteration and the denominator shall be the nominal amount of one such Ordinary Share immediately prior to such alteration, and such adjustment shall become effective on the date the alteration takes effect;
- (ii) if and whenever the Company shall allot to Shareholders any Ordinary Shares credited as fully paid by way of capitalisation of reserves or profits (other than Ordinary Shares paid up out of distributable reserves and issued in lieu of a cash dividend), the Subscription Price in force immediately prior to such allotment shall be adjusted by multiplying it by a fraction of which the numerator shall be the aggregate amount of the issued Ordinary Shares immediately before such allotment and the denominator shall be the aggregate amount of the issued and allotted Ordinary Shares immediately after such allotment, and such adjustment shall become effective as at the date of allotment of such Ordinary Shares;
- (iii) if on a date (or by reference to a record date) on or before the Final Subscription Date, the Company makes any offer or invitation (whether by way of rights issue or otherwise but not being an offer to which paragraph (c)(vii) below applies or an offer made in connection with scrip dividend arrangements) to the holders of the Ordinary Shares, or any offer or invitation (not being an offer to which paragraph (c)(vii) below applies) is made to such holders otherwise than by the Company, then the Company shall, so far as it is able, procure that at the same time the same offer or invitation is made to the then Subscription Shareholders as if their Subscription Rights had been exercisable in accordance with the terms set out herein/and had been exercised on the date immediately preceding the record date for such offer or invitation on the terms (subject to any adjustment made previously pursuant to paragraph (b)(i) to (b)(vi)) on which the same could have been exercised on that date, provided that, if the Directors of the Company so resolve in the case of any offer or invitation made by the Company, the Company shall not be required to procure that the same offer or invitation is made to the then holders of the Subscription Shares but the Subscription Price shall be adjusted: (i) in the case of an offer of new Ordinary Shares for subscription by way of rights at a price less than the market price at the date of announcement of the terms of the offer, by multiplying the Subscription Price in force immediately before such announcement by a fraction of which the numerator is the number of Ordinary Shares in issue on the date of such announcement plus the number of Ordinary Shares which the aggregate amount payable for the total number of new Ordinary Shares comprised in such rights issue would purchase at such market price and the denominator is the number of Ordinary Shares in issue on the date of such announcement plus the aggregate number of Ordinary Shares offered for subscription and (ii) in any other case, in such manner as the auditors for the time being of the Company (the "**Auditors**") shall report in writing to be fair and reasonable. Any such adjustments shall become effective, in the case of (i) above, as at the date of allotment of the new Ordinary Shares which are the subject of the offer or

invitation and, in the case of (ii) above, as at the date determined by the Auditors. For the purposes of this paragraph (b)(iii), "**Market Price**" shall mean the average of the middle market quotations (as derived from Bloomberg) for one Ordinary Share for the five (5) consecutive dealing days ending on the dealing day immediately preceding the day on which the market price is to be ascertained;

- (iv) no adjustment will be made to the Subscription Price pursuant to paragraphs (b)(i), (b)(ii) or (b)(iii) above (other than by reason of a consolidation of Ordinary Shares as referred to in paragraph (b)(i) above) if it would result in an increase in the Subscription Price and, in any event, no adjustment will be made if such adjustment would (taken together with the amount of any adjustment carried forward under the provisions of this paragraph (b)(iv)) be less than 1 per cent. of the Subscription Price then in force and on any adjustment the adjusted Subscription Price will be rounded down to the nearest 1p. Any adjustment not so made and any amount by which the Subscription Price is rounded down will be carried forward and taken into account in any subsequent adjustment;
- (v) whenever the Subscription Price is adjusted as provided in accordance with paragraph (b)(i) to paragraph (b)(iv) (inclusive) above (other than by reason of a consolidation of Ordinary Shares as referred to in paragraph (b)(i) above), the Company shall issue, credited as fully paid, additional Subscription Shares to each Subscription Shareholder at the same time as such adjustment takes effect. The number of additional Subscription Shares to which a Subscription Shareholder shall be entitled shall be the number of existing Subscription Shares held by him multiplied by the following fraction:

$$\frac{X - Y}{Y}$$

where:

'X' = the Subscription Price immediately before the adjustment; and

'Y' = the Subscription Price immediately after the adjustment.

Fractions of Subscription Shares will not be allotted to Subscription Shareholders but all such fractions will be aggregated and, if practicable, sold in the market. The net proceeds will be paid to the to the Subscription Shareholders entitled thereto at the risk of such persons, save that amounts of less than £3.00 will be retained for the benefit of the Company. Subscription Share certificates relating to such additional Certificated Subscription Shares will be issued within twenty one (21) days of the said adjustment taking effect or the Company will procure that appropriate instructions are given to enable such additional Uncertificated Subscription Shares to be credited to the relevant account within the Relevant Electronic System of the person(s) in whose name(s) the Uncertificated Subscription Shares are registered as at the date of the adjustment;

- (vi) whenever the Subscription Price is adjusted by reason of a consolidation of Ordinary Shares as referred to in paragraph (b)(i) above, the number of Ordinary Shares for which each Subscription Shareholder is entitled to subscribe will be amended accordingly;
- (vii) the Company shall give notice to Subscription Shareholders within twenty eight (28) days of any adjustment made pursuant to paragraph (b)(i) to (b)(vi) above;
- (viii) if a Subscription Shareholder shall become entitled to exercise his Subscription Rights pursuant to paragraph (c)(vii) below, the Subscription Price payable on such exercise (but not otherwise) shall be reduced by an amount determined by the Auditors in accordance with the following formula:

$$A = (B - C) + D$$

where:

'A' = the reduction in the Subscription Price;

'B' = the Subscription Price which would, but for the provisions of this paragraph (b)(viii), be applicable (subject to any adjustments previously made pursuant to paragraph (b)(i) to (b)(vi) (inclusive) above) if the Subscription Rights were exercisable on the date on which the Company shall become aware as provided in paragraph (c)(vii) below;

'C' = the value of the final offer for the Ordinary Shares in pence on the date on which the Company shall become aware as provided in paragraph (c)(vii) below;

'D' = the value of the Subscription Shares as calculated using the standard Black-Scholes pricing formula, as amended by Merton for dividend payments (*Source: Bell Journal of Economics and Management Science Volume 4 Spring 1973*), based on the value of the final offer for the Ordinary Shares in pence on the date on which the Company shall become aware as provided in paragraph (c) below, taking as the stock price volatility the volatility in the market price of an Ordinary Share on a total return basis over 365 days ending on the dealing day immediately preceding the date of the announcement of the offer (or, where such offer is a revised offer, the original offer) or, if applicable and earlier, the date of the first announcement of the intention to make such an offer or original offer or of the possibility of the same being made, and taking as the interest rate the Gross Redemption Yield on Treasury 5 per cent. 2014 government stock on an annual basis and using as a yield the last annual net dividend payment, in pence sterling; provided that:

- (aa) no adjustment shall be made to the Subscription Price where the value of C exceeds the aggregate value of 'B' and 'D' in the above formula;
- (bb) the Auditors shall be entitled to make such further adjustments to the Subscription Price payable on any subsequent exercise of the Subscription Rights in accordance with paragraph (c)(vi) as they shall report to be appropriate.

The notice required to be given by the Company under paragraph (c)(iii) below shall give details of any reduction in the subscription price pursuant to this paragraph(b)(viii).

- (ix) for the purpose of determining whether paragraph (c)(ix) below shall apply and accordingly whether each Subscription Shareholder is to be treated as if his Subscription Rights had been exercisable and had been exercised as therein provided, the Subscription Price which would have been payable on such exercise shall be reduced by an amount determined by the Auditors in accordance with the following formula:

$$A = (B - C) + D$$

where:

'A' = the reduction in the Subscription Price;

'B' = the Subscription Price which would, but for the provision of this paragraph (b)(ix), be applicable (subject to any adjustments previously made pursuant to paragraph (b)(i) to (b)(vi) (inclusive) above) if the Subscription Rights were exercisable immediately before the date on which the order referred to in paragraph (c)(ix) below shall be made or on which the effective resolution referred to in that paragraph shall be passed (as the case may be);

'C' = the amount (as determined by the Auditors) of the assets available for distribution in the liquidation of the Company in respect of each Ordinary Share, taking into account for this purpose the Ordinary Shares which would arise on exercise of all the subscription rights and the subscription price which would be payable on the exercise of such subscription rights (subject to any adjustments previously made pursuant to paragraph (b)(i) to (b)(vi)

(inclusive) above but ignoring any adjustment to be made pursuant to this paragraph (b)(ix)); and

'D' = the value of the Subscription Shares as calculated using the standard Black-Scholes pricing formula, as amended by Merton for dividend payments (*Source: Bell Journal of Economics and Management Science Volume 4 Spring 1973*), based on the value of the final offer for the Ordinary Shares in pence on the date on which the Company shall become aware as provided in paragraph (c)(viii) below, taking as the stock price volatility the volatility in the market price of an Ordinary Share on a total return basis over 365 days ending on the last dealing day immediately preceding the date of the presentation of the petition for such order or of the notice convening the meeting at which such resolution shall be passed (as the case may be) or, if applicable and earlier, the date of the first announcement of the presentation of such petition or the convening of such meeting (as the case may be) or that the same is proposed, and taking as the interest rate the Gross Redemption Yield on Treasury 5 per cent. 2014 government stock on an annual basis and using as a yield the last annual net dividend payment, in pence sterling;

provided that no adjustment shall be made to the Subscription Price where the value of 'C' exceeds the aggregate value of 'B' and 'D' in the above formula.

- (x) where an event which gives or may give rise to an adjustment to the Subscription Price occurs whether in such proximity in time to another such event or otherwise in circumstances such that the Company in its absolute discretion determines that the foregoing provisions need to be operated subject to some modification in order to give a result which is fair and reasonable in all the circumstances such modification shall be made in the operation of the foregoing provisions as may be advised by the Auditors to be in their opinion appropriate in order to give such a result.

(c) ***Protective Provisions***

So long, as any Subscription Rights remain exercisable:

- (i) the Company shall not (except with the sanction of an extraordinary resolution of the Subscription Shareholders):
 - (A) make any distribution of capital profits or capital reserves except by means of a capitalisation issue in the form of fully paid Ordinary Shares;
 - (B) issue securities by way of capitalisation of profits or reserves except fully paid Ordinary Shares issued to the holders of its Ordinary Shares; or
 - (C) on or by reference to a record date falling within the period of six weeks ending on the final subscription date, make any such allotment as is referred to in paragraph (b)(iii) or any such offer or invitation as is referred to in paragraph (b)(iii) (except by extending to the Subscription Shareholders any such offer or invitation as may be made by a third party);
- (ii) the Company shall not (except with the sanction of an extraordinary resolution of the Subscription Shareholders) in any way modify the rights attached to its existing Ordinary Shares as a class, or create or issue any new class of equity share capital except for shares which carry, as compared with the rights attached to the existing Ordinary Shares, rights which are not more advantageous as regards voting, dividend or return of capital, provided that nothing herein shall restrict the right of the Company to increase, consolidate or sub-divide its share capital;
- (iii) the Company shall not (except with the sanction of an extraordinary resolution of the Subscription Shareholders or for a reduction not involving any payment to Shareholders) reduce any of its share capital or any uncalled or unpaid liability in respect of any of its share

capital or (except as permitted by the law) reduce any share premium account or capital redemption reserve;

- (iv) the Company shall keep available for issue sufficient authorised but unissued share capital to satisfy in full all subscription rights remaining exercisable;
- (v) the Company shall not (except with the sanction of an extraordinary resolution of the Subscription Shareholders) grant (or offer or agree to grant) any option in respect of, or create any rights of subscription for, or issue any loan capital carrying rights of conversion into Ordinary Shares if the price at which any such option or right is exercisable is lower than the Subscription Price for the time being;
- (vi) subject as provided in paragraph (c)(viii) below, if at any time an offer is made to all holders of Ordinary Shares (or all such holders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued ordinary share capital of the Company and the Company becomes aware on or before the Final Subscription Date that as a result of such offer the right to cast a majority of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offer or and/or such companies or persons as aforesaid, the Company shall give notice to the Subscription Shareholders of such vesting or pending vesting within 14 days of its becoming so aware, and each such Subscription Shareholder shall be entitled, at any time within the period of thirty (30) days immediately following the date of such notice, to exercise his subscription rights on the terms on which the same could have been exercised if they had been exercisable and had been exercised on the date on which the Company shall become aware as aforesaid. The publication of a scheme of arrangement under the law providing for the acquisition by any person of the whole or any part of the issued Ordinary Share capital of the Company shall be deemed to be the making of an offer for the purposes of paragraph (c)(vii) and reference herein to such an offer shall be read and construed accordingly;
- (vii) if under any offer as referred to in paragraph (c)(vi) above the consideration shall consist solely of the issue of ordinary shares of the offeror and the offeror shall make available an offer of warrants or other rights to subscribe for ordinary shares in the offeror in exchange for the Subscription Shares, which offer the financial advisers to the Company (acting as experts and not as arbitrators) shall consider to be fair and reasonable (having regard to the terms of the offer, the tax treatment of such warranty or other rights to subscribe or compared with that of the Subscription Shares and any other circumstances which may appear to such financial advisers to be relevant), then a Subscription Shareholder shall not have the right to exercise his Subscription Rights on the basis referred to in paragraph (c)(vi) above and, subject to the offer as referred to in paragraph (c)(vi) above becoming or being declared wholly unconditional and the offeror being in a position to acquire compulsorily the whole of the then issued Ordinary Share capital of the Company not already owned by it or its associates, any Director of the Company shall be irrevocably authorised as attorney for the Subscription Shareholders who have not accepted the offer of warrants or other rights to subscribe for ordinary shares in the offeror in exchange for the Subscription Shares:
 - (A) to execute a transfer of the Subscription Shares held by such holders in favour of the offeror, in consideration of the issue of warrants or other rights to subscribe for ordinary shares in the offeror as aforesaid whereupon all the subscription rights shall lapse and all outstanding Subscription Shares shall be converted into Special Deferred Shares which shall have the same rights and shall be treated as if they had been created under paragraph (a) above; and
 - (B) to do such acts and things as may be necessary or appropriate in connection therewith;
- (viii) if an order is made or an effective resolution is passed for winding-up the Company (except for the purpose of reconstruction, amalgamation or unitization on terms sanctioned by an

extraordinary resolution of Subscription Shareholders) each Subscription Shareholder shall, in such winding-up and on the basis that all Subscription Rights then unexercised had been exercised in full by the Company there shall be a surplus available for distribution amongst the holders of the Ordinary Shares, including for this purpose the Ordinary Shares which would arise on exercise of all Subscription Rights (taking into account any adjustments pursuant to paragraph (b)(i) to (b)(vi) (inclusive) and paragraph (b)(ix) above), which surplus would, on such basis, exceed in respect of each Ordinary Shares a sum equal to such Subscription Price) be treated as if immediately before the date of such order or resolution (as the case may be) his Subscription Rights had been exercisable and had been exercised in full on the terms (subject to any adjustments pursuant to paragraph (b)(i) to (b)(vi) and paragraph (b)(ix) above) on which the same could have been exercised if they had been exercisable and had been exercised immediately before the date of such order or resolution, (as the case may be), and shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of the Ordinary Shares such a sum as he would have received had he been the holder of the Ordinary Shares to which he would have become entitled by virtue of such subscription after deducting a sum per Ordinary Share equal to the Subscription Price (subject to any adjustments pursuant to paragraph (b)(i) to (b)(vi) (inclusive) and paragraph (b)(ix) above). Subject to the foregoing, all Subscription Rights shall lapse on liquidation of the Company; and

- (ix) if at any time an offer or invitation is made by the Company to the holders of its Ordinary Shares generally for purchase by the Company of any of its Ordinary Shares, the Company shall simultaneously give notice thereof to the Subscription Shareholders and each Subscription Shareholder shall be entitled, at any time whilst such offer or invitation remains open for acceptance, to exercise his subscription rights on the terms (subject to any adjustments made under paragraph (b)(i) to (b)(vi) (inclusive) above) on which the same could have been exercised if they had been exercisable and had been exercised on the day twenty one (21) immediately preceding the record date for such offer or invitation and any Ordinary Shares arising on exercise of the Subscription Rights shall be included in the offer or invitation on the same terms and conditions as if the Ordinary Shares arising on the exercise of Subscription Rights had been in issue on the record date for such offer or invitation.

(d) ***Other Rights***

(i) *Income*

The Subscription Shareholders shall not be entitled to any right of participation in the profits of the Company.

(ii) *Capital*

- (A) No distribution shall be due in respect of a Subscription Share if the amount of such distribution would be less than the Subscription Price.
- (B) The amount to be distributed in respect of each Subscription Share shall be calculated by dividing the total surplus available for distribution to members pursuant to Article 36 of the Articles by the number of Shares (of all classes carrying an entitlement to participate in the proceeds of a winding up) and subtracting from the result, an amount equal to the Subscription Price.
- (C) The provisions of this paragraph (d)(ii) are without prejudice to the other provisions of the Articles as to conversion, redemption and purchase of shares or (in the case of a purchase of shares) to any resolution authorising the same in accordance with the Companies Law.

(iii) *Voting and General Meetings*

- (A) The Subscription Shareholders shall, by virtue of or in respect of their holdings of Subscription Shares, have the right to receive notice of a general meeting of the Company and to attend, speak and vote at a general meeting of the Company only if a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the Subscription Shareholders and then only on such resolution. Save as aforesaid, whether or not the Subscription Rights shall have expired, the Subscription Shares shall not confer on the holders thereof the right to attend, speak or vote at any general meeting of the Company and references in the Articles to "**members**", "**shareholders**" and "**holders**", in relation to receiving notice of, attending or voting at general meetings of the Company shall be construed accordingly, but they shall entitle the holders to receive copies of notices of general meetings for information only and of the annual consolidated audited accounts of the Company and its subsidiaries as if they were holders of Ordinary Shares.
- (B) Whenever the Subscription Shareholders are entitled to vote at a general meeting of the Company upon any resolution proposed at such a general meeting, on a show of hands every holder thereof who is present in person or (being a corporation) by a representative shall have one vote and on a poll every holder thereof who is present in person or by proxy or (being a corporation) by a representative shall have one vote in respect of each Ordinary Share for which he is entitled to subscribe pursuant to the Subscription Rights.

(e) *Purchase*

The Company and its subsidiaries shall have the right to purchase Subscription Shares in the market, by tender or by private treaty but:

- (i) such purchases will be limited to a maximum price per Subscription Share which, in the case of purchases through the market, will not exceed 5 per cent. above the average of the closing middle market quotations (as derived from Bloomberg) for the five (5) consecutive dealing days ending on the dealing day immediately preceding the date on which the purchase is made; and
- (ii) if such purchases are by tender, such tender will be available to all Subscription Shareholders alike.

All Subscription Shares so purchased shall forthwith be cancelled and shall not be available for re-issue or resale.

(f) *Transfer*

Subject always to Article 13 (*Transfer and Transmission of Shares*) of the Articles, each Subscription Share will be registered and will be transferable:

- (i) in the case of Certificated Subscription Shares, by instrument of transfer in any usual or common form, or in any other form which may be approved by the Directors; and
- (ii) in the case of Uncertificated Subscription Shares, by giving the appropriate instructions for transfer by means of the Relevant Electronic System.

No transfer of a right to subscribe for a fraction of an Ordinary Share shall be effected.

(g) **General**

- (i) The Company will, concurrently with the issue of the same to the holders of the Ordinary Shares, send to each Subscription Shareholder (or, in the case of joint holders, to the first-named) a copy of each published annual report and accounts of the Company (or such abbreviated or summary financial statement sent to Ordinary Shareholders in lieu thereof), together with all documents required by law to be annexed thereto, and a copy of every other statement notice or circular issued by the Company to holders of Ordinary Shares.
- (ii) For the purpose of these conditions, "**extraordinary resolution of the Subscription Shareholders**" means a resolution proposed at a meeting of the Subscription Shareholders duly convened and passed by a majority consisting of not less than three-fourths of the votes cast, whether on a show of hands or on a poll.
- (iii) Any determination or adjustment made pursuant to these terms and conditions by the Auditors shall be made by them as experts and not as arbitrators and any such determination or adjustment made by them shall be final and binding on the Company and each of the Subscription Shareholders.
- (iv) The invalidity of any undertaking, or any part of any undertaking, in paragraph (c) above shall not affect the validity of any other part of that paragraph. If any event occurs which, but for any rule of law, would be a breach of paragraph (c) above, the Company shall pay to the Subscription Shareholders such sum as the Auditors of the Company shall determine to be equal to the loss in value of the Subscription Shares resulting from such event. "