

THE COMPANIES (GUERNSEY) LAWS 1994 to 1996  
as amended

COMPANY LIMITED BY SHARES

**GREFFE  
ROYAL COURT**

**29 SEP 2006**

**GUERNSEY**

MEMORANDUM

and

ARTICLES OF ASSOCIATION

of

**AFRICAN ENERGY RESOURCES (GUERNSEY) LIMITED**

Registered this *29<sup>TH</sup>* day of 2006



**1065270**

**OZANNES**

THE COMPANIES (GUERNSEY) LAWS 1994 to 1996  
as amended

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

of

**AFRICAN ENERGY RESOURCES (GUERNSEY) LIMITED**

1. The name of the Company is **AFRICAN ENERGY RESOURCES (GUERNSEY) LIMITED**
2. The Registered Office of the Company will be situate in Guernsey.
3. The objects for which the Company is established are:-
  - (a) To carry on business as a mining and mineral exploitation company and for that purpose to prospect, explore, develop and maintain any lands, wells, mining rights, minerals, ores, works or other properties in any manner to purchase or otherwise acquire or invest in mining projects of any kind or nature whatsoever and to hold and from time to time to vary and dispose of any such investments in the name of the Company or its nominees by original subscription tender purchase exchange or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof and powers of realising capital or earning income in respect thereof or incidental thereto.
  - (b) To act as an investment and holding company and to acquire and hold controlling and other interests in the share or loan capital of any company or companies and to acquire and hold interests of any kind in or provide any form of capital for any person, firm, association or enterprise and to co-ordinate the businesses and administration of any companies or businesses in which the Company is for the time being interested and to provide financial managerial and administrative advice, services and assistance for any company or business in which the Company is interested, and for any other company, person, firm, association or enterprise.
  - (c) To form or assist in the formation of any company for the purpose of holding any stocks, shares, marketable securities or other assets, and whether or not preferred or deferred, based upon or representing the assets so held, and to act as managers of or assist in the management of any such company, whether formed by the Company or not and to issue, dispose of, hold, buy, sell or otherwise deal in the stocks, shares or securities of any such company whether formed by the Company or not.

- (d) To acquire and hold either for itself or as agent or nominee of any person, firm, company or corporation, and generally to sell, exchange, or otherwise dispose of, manage, develop, deal with and turn to account any shares, stocks, debenture stocks, units, securities, policies or assurance, book debts, claims, choses in action, lands, buildings, business concerns and undertakings, mortgages, charges annuities, patents and licences and any claims against any real and personal property or against any person or company.
- (e) To carry on business as a general commercial company.
- (f) To carry on business anywhere as a trading trust finance agency and manufacturing company and generally to undertake all kinds of investment trading manufacturing and other operations.
- (g) To act as trustees liquidators executors administrators managers general partners receivers fiduciaries directors secretaries officers attorneys or agents anywhere.
- (h) To purchase or acquire for any estate or interest and hold use deal or trade in whether with a view to profit or not and by any means property and rights of all kinds real or personal movable or immovable legal or equitable and to hold any such property and rights in the name of the Company or its nominees and to exercise and enforce all rights and powers as owners and to develop any such property or rights.
- (i) To prepare any property of the Company for building or other purposes and to construct alter demolish and improve buildings and lands and to enter into contracts and arrangements of any kind with any person and to undertake the management of property buildings and lands whether belonging to the Company or otherwise.
- (j) To advance deposit or lend money securities and property to any person on any terms and to hire lease or sell goods of every description whether under hire purchase or on deferred payment or any terms.
- (k) To borrow or raise money in any manner and to secure the repayment of any money borrowed raised or owing by assignment charge hypothecation pledge or mortgage on all or any of the property or rights of the Company present future vested or contingent including uncalled capital.
- (l) To guarantee assure or become liable for or to indemnify against any loss damage or obligation of any person whether or not connected or associated in any manner with the Company (including without limitation any holding or subsidiary company of the Company and any subsidiary of any such holding company) and whether or not for direct or indirect consideration benefit or advantage and in connection with or support of such arrangements to assign charge hypothecate mortgage or pledge all or any of the undertaking and property of the Company (including uncalled capital) and to enter into any contracts or other transactions in relation to any such arrangements.
- (m) To accept payment for any property right or undertaking sold or disposed of or dealt with by the Company either in cash or in shares or other securities whether with or without deferred or preferred rights or in debentures securities or mortgages or in any other manner.
- (n) To issue and deposit any shares or securities which the Company may issue by way of charge hypothecation pledge or mortgage to secure any sum less than the nominal amount of such shares or securities and also by way of security for the performance



of any obligations or liabilities of the Company or of any person whether or not the Company has an interest in such person or his business.

- (o) To accumulate capital for any of the purposes of the Company and to appropriate any property or rights for specific purposes conditionally or unconditionally and to allow any person having dealings with the Company to share in the Company's profits or any other advantages or benefits.
- (p) To pay all or any expenses incurred in connection with formation and promotion of the Company or to contract with any other person to pay the same and to pay commissions to brokers and others for underwriting placing selling or guaranteeing the subscription of any shares or securities of the Company or of any other entity promoted by the Company.
- (q) To enter into arrangements with any state government or authority national local or otherwise and to obtain therefrom all rights concessions or privileges conducive to the Company's objects and to oppose the grant to any other person of similar rights concessions and privileges.
- (r) To make gifts to any persons in such circumstances and whether of cash or other property or rights as may be considered directly or indirectly conducive to any of the Company's objects or otherwise expedient and in particular to remunerate any person introducing or doing business to or with the Company.
- (s) To subscribe or guarantee money for charitable or benevolent objects and to aid in the establishment and support of associations for the benefit of persons at any time employed by or having dealings with the Company or the dependants or families of such persons and to establish and support associations institutions funds and trusts to benefit employees (including directors) and their respective dependants and families at any time and to grant pensions and allowances and to make payments towards insurances for the purpose of indemnifying the Company in respect of claims for any risks or accidents to any officers or employees of the Company whether in the course of their employment or not and to pay premiums on any such insurances including insurance against illness accident or death or for any other purpose.
- (t) To draw make accept endorse issue discount and execute deeds agreements arrangements cheques promissory notes bills of exchange and lading warrants securities debentures and all other negotiable and transferable instruments or transactions whatsoever.
- (u) To enter into any joint ventures or arrangements or agreements for sharing profits with any persons.
- (v) To distribute in specie among the Members by way of dividend or bonus or on a return of capital any property or rights of the Company or any proceeds of sale.
- (w) To effect insurances and reinsurances against risks of every description whether of the Company or any other person.
- (x) To amalgamate with any other company whose objects are or include objects similar to those of the Company whether by sale or purchase (for full or partly paid shares or otherwise) of the undertaking or by sale or purchase (for full or partly paid shares or otherwise) of all or a controlling interest in the shares of the Company or any such

other company or partnership or any arrangement in the nature of partnership or in any other manner.

- (y) To procure the Company to be recognised or registered anywhere and to carry on all or any part of the Company's business anywhere whether or not the Company has established an office or is so recognised or registered and as principals agents contractors trustees nominees or otherwise and by or through such persons and either alone or in conjunction with others.
- (z) To do all such other things as the Company may think incidental to or connected with any of the above objects or conducive to their attainment or otherwise likely in any respect to be advantageous to the Company.

And it is declared that the word "person" in this Memorandum (except in reference to the Company) shall include any individual partnership or other body of persons whether incorporated or not and any government state or authority and further that the objects specified in each paragraph shall be treated as independent and accordingly in no way limited or restricted by reference to or inference from any other paragraph or from the name of the Company and may be carried out as fully and construed as widely as if each paragraph defined the objects of a separate and independent company.

- 4 The liability of the Members is limited to the amount (if any) for the time being unpaid on the shares held by each of them respectively.
- 5 The Company has an unlimited amount of Shares of no par value each.
  - (a) The Company has power to increase or reduce its share capital, to issue shares of no par value and to attach to any shares in the initial or increased or reduced capital any preferred deferred qualified or special rights privileges and conditions or to subject the same to any restrictions or limitations and to consolidate or sub-divide all or any of its shares into shares of a larger or smaller denomination.
  - (b) The rights for the time being attached to any shares in the initial capital and to any shares having preferred deferred qualified or special rights privileges and conditions may be altered or dealt with in accordance with the Articles of Association.
- 6 The shares shall be paid for according to the terms of allotment or otherwise by calls as the Board shall think fit.
- 7 Shares in the capital of the Company may be issued in payment or part payment of the purchase consideration for any property purchased by the Company or in consideration of any services rendered to the Company by any person in assisting the Company to carry out any of its objects and for shares so issued no money payment shall be made or required save in so far as by the terms under which any of such shares may be issued a cash payment may be required.
- 8 The Signature of the Company shall be:-
  - (a) **"AFRICAN ENERGY RESOURCES (GUERNSEY) LIMITED"** with the addition of the signature(s) of one or more person(s) authorised generally or specifically by the Board for such purpose, or
  - (b) The Common Seal of the Company countersigned by such person(s) as the Board may at any time authorise in that behalf.



**AFRICAN ENERGY RESOURCES (GUERNSEY) LIMITED**

WE, the several persons whose names and addresses and descriptions are subscribed, are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

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Names, Addresses and Descriptions of Subscribers

Shares

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Federal Trust Company Limited  
Granite House  
La Grande Rue  
St Martin  
Guernsey

Company

1



Robin Andrew Barnes  
Granite House  
La Grande Rue  
St Martin  
Guernsey



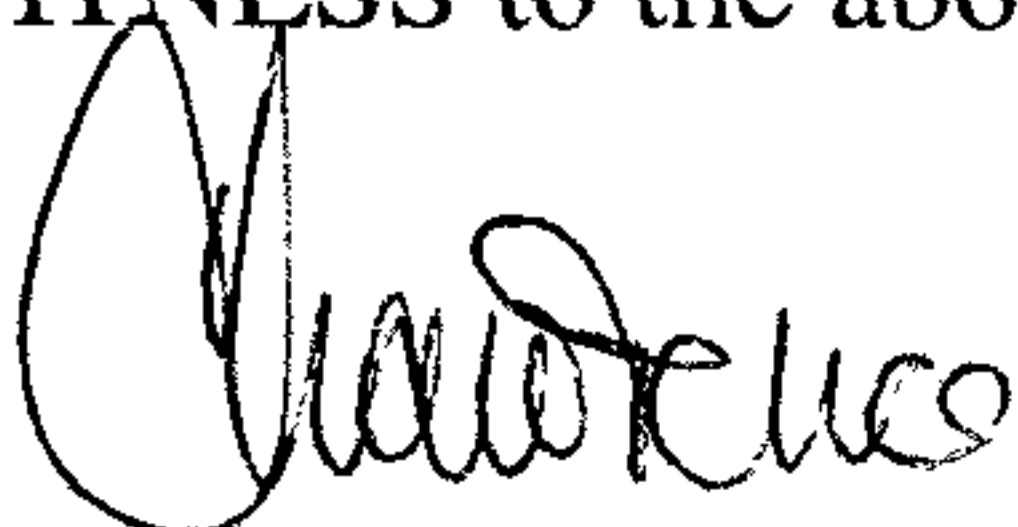
Company Director

1

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Dated this 20th day of September 2006

WITNESS to the above signatures:-



C.R. LAWRENCE

GRANITE HOUSE  
LA GRANDE RUE  
ST. MARTIN  
GUERNSEY.

OCCUPATION: SECRETARY

THE COMPANIES (GUERNSEY) LAWS 1994 to 1996  
as amended

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

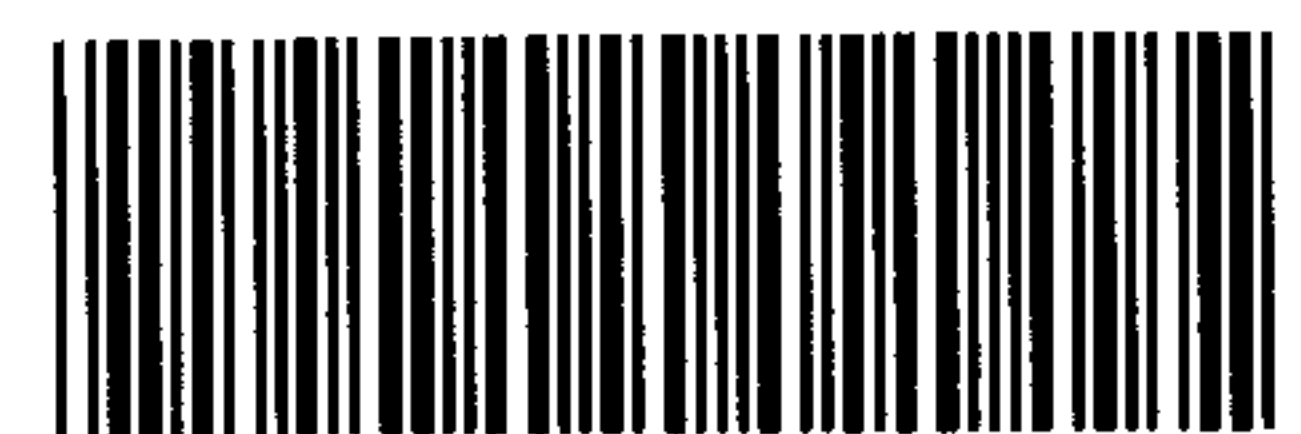
of

**AFRICAN ENERGY RESOURCES (GUERNSEY) LIMITED**

**INTERPRETATION**

In these Articles the following words shall bear the following meanings if not inconsistent with the subject or context:-

<b>Words</b>	<b>Meanings</b>
"AIM"	AIM, a market operated by the London Stock Exchange;
"Articles"	these Articles of Association as now framed and at any time altered;
"Auditors"	the auditors of the Company from time to time;
"at any time"	at any time or times and includes for the time being and from time to time;
"Board"	the board of Directors at any time or the Directors present at a duly convened meeting at which a quorum is present;
"Business Day"	a day (not being a Saturday or Sunday) when banks generally are open in Guernsey and the City of London for the transaction of general banking business;
"certificated"	in relation to any share or other security of the Company, that it is not held or to be held in uncertificated form;
"clear days"	in relation to a period of notice the period excluding the day on which the notice is served or deemed to have been served and the day for which it is given or on which it is to take effect;
"CRESTCo"	CRESTCo Limited, the operator of the CREST UK system;



"CREST Guernsey Requirements"	Rule 8 and such other of the rules and requirements of CRESTCo as may be applicable to issuers as from time to time specified in the CREST Manual;
"CREST Manual"	the document entitled "CREST Reference Manual" issued by CRESTCo;
"CREST Rules"	the Rules from time to time issued by CRESTCo governing the admission of securities to and the operation of the CREST UK system;
"CREST UK system"	the facilities and procedures for the time being of the relevant system of which CRESTCo has been approved as Operator pursuant to the Regulations;
"dematerialised instruction"	an instruction sent or received by means of the CREST UK system;
"Director"	includes alternate Director;
"employee share scheme"	a scheme for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of (a) the bona fide employees or former employees of the Company, the Company's subsidiary or holding company or a subsidiary of the Company's holding company; or (b) the wives, husbands, widows, widowers or children or step-children under the age of 18 of such employees or former employees;
"equity securities"	a relevant share in the Company (other than a bonus share) or a right to subscribe for, or convert securities into, relevant shares in the Company;
"Executors"	includes administrators;
"executed"	the mode of execution;
"Laws"	The Companies (Guernsey) Laws, 1994 to 1996 and the Companies (Enabling Provisions) (Guernsey) Law, 1996 in each case as amended extended or replaced and any ordinance, statutory instrument or regulation made thereunder and every other applicable law in force concerning the Company;
"Liquidator"	includes joint Liquidators;
"London Stock Exchange"	London Stock Exchange plc
"Member"	includes the registered holder of a share and vice versa and any person entitled on death, disability or insolvency of a member;
"Memorandum"	the Memorandum of Association of the Company;



"Month"	calendar month;
"Office"	the registered office at any time of the Company;
"paid up"	paid or credited as paid up as to the nominal value or any premium on the shares;
"Probate"	includes letters of administration;
"Proxy"	includes attorney;
"Register"	in relation to a certificated share or the holder of it, the register of members maintained by the Company and, in relation to an uncertificated share or the holder of it, the register of members of the Company maintained by the operator of the Relevant System through which title to that share is evidenced and transferred and "registered" shall be construed accordingly;
"Regulations"	the Uncertificated Securities Regulations 2001 as amended or replaced from time to time and any subordinate legislation or rules made under them at any time;
"relevant employee shares"	shares in the Company which would be relevant shares but for the fact that they are held by a person who acquired them in pursuance of an employee share scheme;
"relevant shares"	shares in the Company other than (a) shares which as respects dividends and capital carry a right to participate only up to a specified amount in a distribution, and (b) shares which are held by a person who acquired it in pursuance of an employee share scheme or, in the case of shares which have not been allotted, or are to be allotted in pursuance of such a scheme;
"Relevant System"	any computer based system, and procedures permitted by the Regulations, the rules of AIM and the Rules of the London Stock Exchange, which enable title to the units of a security to be evidenced and transferred without a written instrument and which facilitate supplementary and incidental matters;
"Seal"	the common seal of the Company;
"Secretary"	the secretary, or if there are joint secretaries any one of the joint secretaries of the Company, and includes a temporary or assistant or deputy Secretary and any person appointed by the Board to perform any of the duties of Secretary;
"Shares"	has the meaning given to it in Article 2 of these Articles;
"Sponsor"	a company, person or firm admitted by CRESTCo to act as Sponsor under the CREST Rules;

"Subsidiary"	a company of which the Company is a member and controls the composition of its board of directors or holds more than half in its nominal value of its equity share capital or any company which is a Subsidiary of a company which is a Subsidiary of the Company;
"uncertificated"	a unit of a Guernsey security title to which is recorded on the relevant register of securities as being held in uncertificated form, and title to which may be transferred by means of the CREST UK system; and "certificated unit of a security" means a unit of a security which is not an uncertificated unit;
"United Kingdom" or "UK"	Great Britain and Northern Ireland;
"in writing"	includes handwriting, typewriting, printing, lithography, photocopying and other modes of representing or reproducing words in legible and non-transient form;
"year"	calendar year.

All of the provisions of these Articles application to paid up shares shall apply to stock and the words "share" "shareholder" and "Member" shall be construed accordingly.

The singular includes the plural and vice versa.

The masculine includes the feminine.

Words importing persons include a body corporate and unincorporated body of persons.

Expressions referring to writing include any mode of representing or reproducing words.

Subject to the above any words defined in the Laws shall if not inconsistent with the subject or context bear the same meaning in these Articles.

The headings are inserted for convenience only and do not affect the construction of these Articles.

## **BUSINESS**

1. Any branch or kind of business which by the Memorandum or by these Articles is either expressly or impliedly authorised to be undertaken may be undertaken or suspended at any time by the Board whether commenced or not.

## **SHARE CAPITAL**

2. The Company has an unlimited amount of Shares of no par value each ("Shares").
3. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of these Articles, any share in the Company may be issued with such preferred deferred or other special rights or restrictions whether as to dividend voting return of capital or otherwise as the Company at any time by ordinary resolution may determine and subject to and in default of such determination as the Directors may determine.

4. Subject to the provisions of the Laws :-
  - (a) any shares may be issued on terms that they are or are liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by these Articles;
  - (b) the Company may purchase any of its own shares whether or not they are redeemable and make a payment in respect of such purchase out of its distributable profits or the proceeds of fresh issue of shares;
  - (c) the Company and any of its subsidiary companies may give financial assistance directly or indirectly for the purpose of or in connection with the acquisition of shares in the Company or in connection with reducing or discharging any liability incurred in connection with the purchase of shares in the Company;
  - (d) the Company may convert all or any of its fully paid shares the nominal amount of which is expressed in a particular currency into fully paid shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than three significant figures) current on the date of the resolution or on such other date as may be specified therein.
5. In default of any ordinary resolution by the Company and subject to the provisions of these Articles, the unissued shares shall be at the disposal of the Board which may allot grant options over or otherwise dispose of them to such persons on such terms and conditions and at such times as the Board determines but so that no share shall be issued at a discount except in accordance with the Laws and so that the amount payable on application on each share shall be fixed by the Board.
6. The Company may pay commission in money or shares to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any shares in the Company or procuring or agreeing to procure subscriptions whether absolute or conditional for any shares in the Company provided that the rate or amount of commission shall be fixed by the Board and disclosed in accordance with the Laws. The Company may also pay such brokerages as may be lawful.
7. Except as ordered by a court of competent jurisdiction or as required by law, the Company shall not be affected or bound by or be compelled in any way to recognise (even when having express notice) any equitable, contingent, future or partial interest in any share or fraction or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety in the registered holder.
8. The Directors may at any time after the allotment of any share but before any person has been entered in the Register as holder recognise a renunciation of such allotment by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

#### **VARIATION OF RIGHTS**

9. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue) may whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class or with the sanction of an extraordinary resolution cast at a separate meeting of the holders of the shares of that class. To any separate general



meeting of a class the provisions of these Articles relating to general meetings shall apply, except that the necessary quorum shall be two persons holding in person or by proxy one-third of the issued shares of that class (but so that if at any adjourned meeting a quorum as defined above is not present, those members who are present in person or by proxy shall be a quorum) and that any holder of shares of that class present in person or by proxy may demand a poll and every such holder shall, on a poll, have one vote for every share of the class held by him.

#### **PARI PASSU ISSUES**

10. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of issue of the shares of that class) be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

#### **SHARE CERTIFICATES**

11. (a) Every member (other than a financial institution in respect of whom the Company is not required by law to complete and have ready for delivery a certificate), upon becoming a holder of any shares, shall (except where the Directors have passed a resolution pursuant to Article 16) be entitled:-
- (i) without payment, to one certificate for all his shares of each class and when part only of the shares comprised in a certificate is sold or transferred to a balance certificate; or
  - (ii) upon payment of such reasonable out of pocket expenses for every certificate after the first as the Directors may at any time determine, to several certificates each for one or more shares of any class.
- (b) Every certificate shall be issued within one month after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) and shall specify the shares to which it relates and the amount paid up and the distinguishing numbers (if any), provided that this is not a transfer which the Company is for any reason entitled to refuse to register and does not register.
- (c) Where some only of the shares comprised in a share certificate are transferred, the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge.
- (d) Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.
- (e) If any Member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request.
12. All forms of certificate for shares or debentures or representing any other form of security (other than letters of allotment scrip certificates and other like documents) shall be issued under the Seal of the Company or, subject to the provisions of the Laws, in such manner as the Board may resolve and each share certificate shall specify the number and class of shares to which it relates and the amount paid up on them. Each certificate shall be signed

autographically unless there shall be in force a resolution of the Board adopting some method of mechanical signature in which event the signatures (if authorised by such resolution) may be effected by the method so adopted.

13. In respect of a share held jointly neither the Company nor the operator of the Relevant System shall be bound to register more than four persons as the joint holders of any share or shares nor shall the Company be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders and in the case of shares held jointly by several persons, any request for a replacement certificate may be made by any one of the joint holders.
14. If a share certificate be defaced, lost, stolen or destroyed, it may be renewed without charge but on such terms (if any) as to evidence and indemnify with or without security as the Directors require. In the case of loss, theft or destruction the person to whom the new certificate is issued shall pay to the Company any exceptional out of pocket expenses incidental to the investigation of evidence of loss or destruction and the preparation of the requisite form of indemnity and in the case of defacement or wearing out he shall deliver up the old certificate to the office.
15. Nothing in these Articles shall require title to any shares or other securities of the Company to be evidenced by a certificate if the Laws permit otherwise.
16. Subject to the Laws, the Directors without further consultation with the holders of any shares or securities of the Company may resolve that any class or classes of shares or other securities of the Company from time to time in issue or to be issued may be in uncertificated form and no provision of these Articles will apply to any uncertificated shares or other securities of the Company to the extent they are inconsistent with the holding of such shares or other securities in uncertificated form or the transfer of title to any such shares or other securities by means of a Relevant System.
17. To the extent that any provision of these Articles is inconsistent in any respect with the terms of the Regulations in relation to any uncertificated shares or other securities of the Company, such provision shall not apply thereto and the Regulations shall be given effect thereto in accordance with their terms.

#### **LIEN**

18. The Company may sell, as the Board thinks fit, any shares on which the Company has a lien but no sale shall be made unless a sum in respect of which the lien exists is presently payable nor until after a notice in writing demanding payment and giving notice of the intention to sell in default, has been given to the holder of the shares or to the person entitled to the share by reason of his death or bankruptcy and default in payment shall have been made by him or them for seven clear days after the notice.
19. To give effect to any sale of shares on which the Company has a lien, the Board may authorise a person to transfer the shares sold to, or in accordance with the directions of, the purchaser who, subject to the payment of any stamp or other duty due, shall be registered as the holder of the shares comprised in any such transfer and who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
20. The net proceeds of a permitted sale of shares in which the Company has a lien shall be received by the Company and, after payment of the costs of such sale, be applied in or towards the satisfaction of the amount due to the Company in respect of which the lien exists,



so far as the same is presently payable, and the balance (if any) shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the holder at the date of the sale.

### **CALLS ON SHARES**

21. Subject to the terms of issue of the shares and to the provisions of these Articles, the Board may at any time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value or by way of premium and not by the conditions of allotment made payable at fixed times) and each Member (subject to receiving at least 14 clear days' notice specifying the time and place of payment) shall pay to the Company at the time and place appointed the amount called. A call may be revoked or postponed in whole or in part as the Board may determine.
22. A call shall be deemed to have been made when the resolution of the Directors authorising the call was passed, and may be required to be made payable by instalments.
23. Joint holders of a share shall be jointly and severally liable to pay all calls in respect of such share.
24. If a sum called in respect of a share is not paid before or on the day appointed for payment the person from whom the sum is due shall pay interest on such sum from the day appointed for payment to the time of actual payment at such rate as the Board may determine not exceeding 15 per cent per annum together with all expenses that may have been incurred by the Company and by reason of such non-payment but the Directors shall be at liberty in any case or cases to waive payment of such interest and expenses wholly or in part.
25. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable and in the case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
26. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid on any shares held by him. The Company may pay interest upon the money so received, or as much of it as exceeds for the time being the amount called up on the shares in respect of which such advance has been made, at such rates as the member paying such sum and the Directors agree not exceeding 15 per cent per annum in addition to the dividend payable on such part of the share in respect of which such advance has been made as is actually called up. No dividend shall be payable on so much of the moneys paid up on a share as exceeds the amount for the time being called up on a share. The Board may at any time repay the amount so advanced on giving to such member not less than three months' notice in writing of their intention to do so, unless before the expiration of such notice the amount so advanced shall have been called up on the share in respect of which it was advanced.
27. The Board may on an issue of shares differentiate between holders as to amount of calls and times of payment.
28. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board may delegate to the person in whose favour such mortgage or security is executed, or to any other person in trust for him, the power to make calls on the members in



respect of such uncalled capital, and to sue in the name of the Company or otherwise for the recovery of moneys becoming due in respect of calls so made and to give valid receipts for such moneys, and the power so delegated shall subsist during the continuance of the mortgage or security, notwithstanding any change of Directors, and shall be assignable if expressed so to be.

#### **FORFEITURE AND SURRENDER OF SHARES**

29. If a Member fails to pay any call or instalment on the day appointed for payment, the Board may, at any time during such period as any part remains unpaid, serve notice requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and any expenses which may have been incurred by the Company by reason of non-payment.
30. The notice shall state a further day (not being less than 14 clear days from the date of the notice) on or before which the payment required by the notice is to be made and the place where the payment is to be made and state that in the event of non-payment, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited. If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time before payment has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture. The Board may accept the surrender of any share which they are in a position to forfeit upon such terms and conditions as may be agreed and, subject to any such terms and conditions, a surrendered share shall be treated as if it had been forfeited.
31. Notice of forfeiture shall forthwith be given to the former holder and an entry of such notice and forfeiture shall forthwith be made and dated in the Register opposite the entry of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give notice or to make entry.
32. Subject to the provisions of the Laws, a forfeited or surrendered share shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who before such forfeiture was the holder of such share or to any other person upon such terms as the Board shall think fit and the Company may receive the consideration, if any, for such sale, re-allotment or disposal. The Board may reasonably consider it necessary to authorise some person to execute the transfer of a forfeited or surrendered share. At any time before a sale, re-allotment or disposal the forfeiture may be cancelled on such terms as the Board thinks fit. Any share not disposed of in accordance with this Article within a period of three years from the date of its forfeiture or surrender shall, at the expiry of the period, be cancelled in accordance with the provisions of the Laws.
33. A person whose shares have been forfeited shall cease to be a Member in respect of those shares and shall surrender to the Company for cancellation the certificate in relation to such shares, but shall, notwithstanding the forfeiture or surrender, remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him in respect of the shares, with interest at such rate (not exceeding 15 per cent per annum) as the Board may determine from the date of forfeiture or surrender until payment. The Board may enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or for any consideration received on their disposal.
34. The forfeiture or surrender of a share shall extinguish all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the holder and the Company, except only such of those



rights and liabilities as are by these Articles expressly saved, or as are by the Laws given or imposed in the case of past Members.

35. A declaration sworn before a Notary Public in writing by a Director or the Secretary that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on the date stated in the declaration shall be conclusive evidence of the facts therein as against all persons claiming to be entitled to the shares. Such declaration shall (subject to the execution of any necessary instrument of transfer) constitute a good title to the share.
36. The Company may receive the consideration given for any share on any sale or disposition and may execute a transfer of the share in favour of the person to whom the same is sold or disposed of and he shall thereupon be registered as the holder and shall not be bound to see to the application of the purchase money nor shall his title be affected by any irregularity or invalidity in forfeiture or surrender, sale, re-allotment or disposal of the share.

### **STOCK**

37. The Company may at any time by ordinary resolution convert all or any of its fully paid shares into stock and re-convert any stock into fully paid shares of any denomination. If and whenever any unissued shares of any class in the capital of the Company for the time being shall have been issued and be fully paid and at that time the shares of that class previously issued shall stand converted into stock such further shares upon being fully paid shall ipso facto be converted into stock transferable in the same units as the existing stock of that class.
38. The holders of stock may transfer that stock or any part of it in the same manner as, and subject to the same regulations as, the shares from which the stock arose might, before they were converted into stock, have been transferred, or as near to those regulations as circumstances admit. The Board may from time to time fix the minimum amount of stock which, or multiples of which, shall be transferable and restrict or forbid the transfer of fractions of that minimum but so that the minimum shall not exceed the nominal amount of the shares from which the stock arose.
39. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company or class meetings and all other matters as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which the stock arose.

### **TRANSFER AND TRANSMISSION OF SHARES**

40. All transfers of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Board or by any other manner as the Board may accept and permitted by the Laws and the London Stock Exchange. Any instrument of transfer shall be signed by or on behalf of the transferor who shall be deemed to remain the holder until the name of the transferee is entered in the Register.
41. The Board, may in its absolute discretion and without giving any reason, refuse to register the transfer of a share which is not fully paid or on which the Company has a lien provided that, where any such share is admitted to trading on the London Stock Exchange, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis. The Board may also refuse to register a transfer of a shares unless:



- (a) the transfer is lodged at the Office or such other place as the Board may prescribe along with (except in the case of a transfer by a financial institution or in any other circumstance where a certificate has not been issued in respect of the share) the certificate of every share to be transferred and such other evidence as the Board may reasonably require to prove the title of the transferor or his right to transfer the shares and the transfer and certificate shall remain in the custody of the Board but shall be at all reasonable times produced at the request and expense of the transferor or transferee or their respective representatives.
  - (b) the transfer is in respect of one class of share; and
  - (c) in the case of a transfer of joint holders of a share, the number of joint holders to whom the share is transferred does not exceed four.
42. A new certificate shall be delivered to the transferee after the transfer is completed and registered on his application and when necessary a balance certificate shall be delivered if required by him in writing. A fee determined by the Board may be charged for each transfer and also for the registration of every probate notice power of attorney or document tendered for registration and shall be paid before registration.
43. The Board may only decline to register a transfer of an uncertificated share in the circumstances set out in the Regulations, and where, in the case of a transfer to joint holders the number of joint holders to whom the uncertificated share to be transferred exceeds four. If the Board refuses to register a transfer of any share they shall send to the transferee notice of refusal within a reasonable period.
44. Subject to the provisions of the CREST Guernsey Requirements, the registration of transfers of shares or of any class of shares may be suspended at such times and for such periods (not exceeding 30 days in any one year) as the Board may decide.
45. Nothing in these Articles shall preclude the Board from recognising the renunciation of the allotment of any share by the allottee in favour of some other person.
46. The Company shall keep the Register in accordance with the Laws and the CREST Guernsey Requirements. The Register may be closed during such periods as the Board think fit not exceeding in all thirty days in any year.
47. On the death of a Member the survivors where the deceased was a joint holder and the executors of the deceased where he was a sole holder shall be the only persons recognised by the Company as having any title to or interest in his shares; but nothing herein shall release the estate of a deceased joint holder from any liability in respect of any share jointly held.
48. A person entitled to shares in consequence of death disability or insolvency shall not be entitled to receive notice of or to attend or to vote at any meeting or (save as regards the receipt of such dividends as the Board shall not elect to retain) to exercise any of the rights of a holder unless and until he shall have been registered as holder.
49. For the avoidance of doubt, nothing in these Articles shall require the shares to be transferred by written instrument if the Laws provide otherwise and the Board shall be empowered to implement such arrangements as they consider fit in accordance with and subject to the Laws and the rules of AIM and the rules of the London Stock Exchange to evidence and regulate the transfer of title to shares in the Company and for the approval or disapproval as the case may be by the Directors or the operator of any Relevant System of the registration of those shares.



## CREST AND UNCERTIFICATED HOLDINGS

50. (a) (i) The Directors shall have power to implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of the CREST UK system. Where they do so, Articles 50(a)(ii) and 50(a)(iii) shall commence to have effect immediately prior to the time at which CRESTCo admits the class to settlement by means of the CREST UK system.
- (ii) In relation to any class of shares which, for the time being, CRESTCo has admitted to settlement by means of the CREST UK system, and for so long as such class remains so admitted, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with:
- (1) the holding of shares of that class in uncertificated form;
  - (2) the transfer of title to shares of that class by means of the CREST UK system; or
  - (3) the CREST Guernsey Requirements.
- (iii) Without prejudice to the generality of Article 50(a)(ii) and notwithstanding anything contained in these Articles where any class of shares is, for the time being, admitted to settlement by means of the CREST UK system:
- (1) such securities may be issued in uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements;
  - (2) unless the Directors otherwise determine, such securities held by the same holder or joint holder in certificated form and uncertificated form shall be treated as separate holdings;
  - (3) such securities may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the CREST Guernsey Requirements;
  - (4) title to such of the shares as are recorded on the register as being held in uncertificated form may be transferred only by means of the CREST UK system and as provided in the CREST Guernsey Requirements and accordingly (and in particular) no provision of these Articles shall apply in respect of such shares to the extent that those Articles require or contemplate the effecting of a transfer by an instrument in writing and the production of a certificate for the security to be transferred;
  - (5) the Company shall comply in all respects with the CREST Guernsey Requirements including, without limitation, CREST Rule 7;
  - (6) no provision of these Articles shall apply so as to require the Company to issue a certificate to any person holding such shares in uncertificated form;
  - (7) the permitted number of joint holders of a share shall be four;

- (8) every transfer of shares from a CREST account of a CREST member to a CREST account of another CREST member shall vest in the transferee a beneficial interest in the shares transferred, notwithstanding any agreements or arrangements to the contrary however and whenever arising and however expressed. Accordingly, each CREST member who is for the time being registered as the holder of any shares in the capital of the Company shall hold such shares upon trust for himself and for those persons (if any) whose CREST accounts are duly credited with any such shares or in favour of whom shares are to be withdrawn from CRESTCo pursuant to a settled stock withdrawal instruction; and the member and all such persons, to the extent respectively of the shares duly credited to their respective CREST accounts or the subject of a settled stock withdrawal instruction, shall accordingly have beneficial interests therein.
- (iv) Where a dematerialised instruction is expressed to have been sent on behalf of a person by a Sponsor or by CRESTCo:
- (1) the person on whose behalf the instruction is expressed to have been sent shall not be able to deny to the addressee:
    - (a) that the instruction was sent with his authority; or
    - (b) that the information contained in it is correct; and
  - (2) the Sponsor or CRESTCo, as the case may be, shall not be able to deny to the addressee:
    - (a) that he has authority to send the dematerialised instruction; or
    - (b) that he has sent the dematerialised instruction.
- (v) Where a dematerialised instruction is expressed to have been sent by a person, and it is not expressed to have been sent on behalf of another person, the first person shall not be allowed to deny to the addressee:
- (1) that the information contained in the instruction is correct; or
  - (2) that he has sent it.
- (vi) An addressee who receives a dematerialised instruction (whether directly, or by means of the facilities of a Sponsor acting on his behalf) may (subject to Articles 50(a)(vii) and 50(viii)) accept that at the time when it was sent or at any time thereafter:
- (1) the information contained in the instruction was correct;
  - (2) the user or authorised operator identified in the instruction as having sent the instruction did send it; and
  - (3) if the instruction was expressed to have been sent on behalf of a person, it was sent with the authority of that person.

- (vii) Subject to Article 50(a)(ix) an addressee shall not be allowed to accept any of the matters specified in Article 50(a)(vi) where, at the time when he received the dematerialised instruction, he was a person who was not either the Company or a Sponsor receiving (in either case) dematerialised instructions on behalf of the Company, and he had actual notice:
  - (1) that any information contained in it was incorrect;
  - (2) that the user or CRESTCo expressed to have sent the instruction did not send it; or
  - (3) if the instruction was expressed to have been sent on behalf of a person, that the person had not given to CRESTCo or the Sponsor identified in the instruction as having sent it his authority to send the instruction on his behalf.
- (viii) Subject to Article 50(a)(ix) an addressee shall not be allowed to accept any of the matters specified in Article 50(a)(vi) where, at the time when he received the dematerialised instruction, he was either the Company or a Sponsor receiving dematerialised instructions on behalf of the Company, and:
  - (1) he had actual notice from CRESTCo of any of the matters specified in Article 50(a)(vii); and
  - (2) the instruction was an instruction from CRESTCo requiring the registration of title in the circumstances specified in any of subparagraphs 8.1.1, 8.1.2, 8.1.3 and 8.1.4 of the CREST Guernsey Requirements.
- (ix) However, where an addressee has received actual notice of a kind to which this Article refers in respect of a properly authenticated dematerialised instruction, he may accept the matters specified in Article 50(a)(vi) if at the time when he received the actual notice it was not practicable for him to halt his processing of the instruction.
- (x) A person who is permitted by Articles 50(a)(vi) or 50(a)(ix) to accept any matter shall not be liable in damages or otherwise to any person by reason of his having relied on the matter that he was permitted to accept.
- (xi) Except as provided in Article 50(a)(x), this Article does not affect any liability of a person for causing or permitting a dematerialised instruction:
  - (1) to be sent without authority;
  - (2) to contain information that is incorrect; or
  - (3) to be expressed to have been sent by a person who did not send it.
- (b)
  - (i) Articles 50(a)(ix) to 50(a)(xi) are to be construed in accordance with the CREST Manual.
  - (ii) Words and expressions not specifically defined in Articles 50(a) and 50(b) shall bear the same meaning as those words and expressions defined in the CREST Manual.



- (c) Subject to such of the restrictions of these Articles as may be applicable:
- (i) any member may transfer all or any of his uncertificated shares by means of a relevant system authorised by the Board in such manner provided for, and subject as provided, in any regulations issued for this purpose under the Laws or such as may otherwise from time to time be adopted by the Board on behalf of the Company and the rules of any Relevant System and accordingly no provision of these Articles shall apply in respect of an uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the shares to be transferred;
  - (ii) any member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve; and
  - (iii) an instrument of transfer of a certificated share shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer of a certificated share need not be under seal.

#### LIMITATIONS ON SHAREHOLDINGS BY US SHAREHOLDERS

51. (a) The purpose of this Article 51 is to restrict the number of US shareholders who hold or have an interest in shares of any class in the capital of the Company, so as to prevent (x) any obligations from arising under the US Securities Exchange Act of 1934, as amended (the "Exchange Act") or (y) any adverse US tax consequences to the Company, any of its subsidiaries or any of the Members.
- (b) For the purpose of this Article 51:
- (i) **"interest"** in relation to shares, means any interest which would be taken into account in determining whether a person has a notifiable interest in a share (including any interest which he would be taken as having for those purposes) and **"interested"** shall be construed accordingly;
  - (ii) **"Applicable Shares"** means shares in the Company (including, without limitation, shares now or at any time represented by American depository shares) which are held by US Holders in any manner described in Rule 12g 3-2(a)(1) of the Exchange Act (including directly or through or as nominee) or Section 958 of the US Internal Revenue Code of 1986, as amended, or any successor rule or statute or which are deemed pursuant to this Article to be so held;
  - (iii) **"Required Disposal"** means in relation to any Applicable Shares a disposal or disposals of such shares or interests therein which will result in such shares ceasing to be Applicable Shares;
  - (iv) **"Register of US Holders"** means the register to be maintained in accordance with Article 51(g);
  - (v) **"US Holder"** means (1) persons resident in the US who (x) hold shares in the Company (including, without limitation, shares now or at any time represented by American depository shares) in any manner described in Rule



12g 3-2(a)(1) of the Exchange Act, or any successor rule, (including directly or through or as nominee) or (y) own shares in the Company, directly, indirectly, or constructively, within the meaning of Section 958 of the US Internal Revenue Code of 1986, as amended, or any successor statute and (2) persons who appear, at any time, to the Board to fall within subparagraph (I) of this definition of US Holder; and

- (vi) "US" means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia.
- (c) The Board may by notice in writing require any Member or other person appearing to be interested or appearing to have been interested in shares in the Company to disclose to the Company in writing such information as the Board shall require relating to the ownership of or interests in the shares in question as lies within the knowledge of such Member or other person (supported if the Board so requires by a statutory declaration and/or by independent evidence) and any information which the Board shall deem necessary or desirable in order to determine whether any shares are Applicable Shares.
- (d) Whether or not a notice pursuant to Article 51(c) has been given, the Board may by notice in writing require any Member or other person appearing to be interested or appearing to have been interested in shares in the Company to show to the satisfaction of the Board that the shares in question are not Applicable Shares. Any person on whom such a notice has been served and any other person who is interested in such shares may within 14 days of such notice (or such longer period as the Board may consider reasonable) make representations to the Board as to why such shares should not be treated as Applicable Shares but if, after considering any such representations and such other information as seems to them relevant, the Board believes such shares to be Applicable Shares, the Board may determine that such shares shall be deemed to be Applicable Shares and they shall thereupon be treated as such for all purposes of this Article 51.
- (e) The Board may give a notice pursuant to Article 51(c) or 51(d) or both of them at any time and the Board may give one or more than one such notice to the same Member or other person in respect of the same shares.
- (f) Each Member shall notify the Company immediately upon becoming aware that any shares in which he is interested (i) is or has become an Applicable Share or (ii) has ceased to be an Applicable Share.
- (g) The Board shall maintain, in addition to the register, a register of US Holders, in which there shall be entered particulars of any shares which are or have been deemed to be Applicable Shares. The particulars entered on the Register of US Holders in respect of any share shall comprise, in addition to the name of the holder, the name of any US Holder interested or who appears to the Board to be interested in such share and such information as has been supplied to the Board pursuant to Article 51(c) or 52(d) or (ii) or otherwise or, if no such information has been supplied, such information as the Board considers appropriate.
- (h) The Board shall remove from the Register of US Holders particulars of any share if there has been furnished to it a declaration (in such form as the Board may from time to time prescribe) by the holder of such share, together with such other evidence as the Board may require, that satisfies the Board that such share is no longer an Applicable Share.



- (i) The Board may give notice to the holder of any Applicable Shares and, if it so chooses, to any other person appearing to it to be interested in such Applicable Shares calling for a Required Disposal of some or all of the Applicable Shares held by him to be made within 21 days or such longer period as the Board considers reasonable. The Board may extend the period in which any such notice is required to be complied with and may withdraw any such notice (whether before or after the expiration of the period referred to) if it appears to it that the shares to which the notice relates are not or are no longer Applicable Shares or in any other circumstances the Board sees fit. The holder of any Applicable Shares may comply with the Required Disposal by selling such shares to the Company at a price agreed upon by such holder and the Company to the extent that the Company has authorisation to repurchase a Member's shares and to the extent that the Board, in its sole discretion, authorises such repurchase. If the Board is not satisfied that a Required Disposal has been made by the expiry of the 21 day period (as may be extended), no transfer of any of the Applicable Shares to which the notice relates may be made or registered other than a transfer made pursuant to Article 51(j) or unless such notice is withdrawn.
- (j) If a notice given under Article 51(i) above has not been complied with in all respects to the satisfaction of the Board or withdrawn, the Board shall, so far as it is able, make a Required Disposal (or procure that a Required Disposal is made) and shall give written notice of such disposal to those persons on whom the notice was served. The holder of the shares duly disposed of and all other persons interested in such shares shall be deemed irrevocably and unconditionally to have authorised the Board to make such Required Disposal. The manner, timing and terms of any such Required Disposal made or sought to be made by the Board (including but not limited to the price or prices at which the same is made and the extent to which assurance is obtained that no transferee is or would become a US Holder) shall be such as the Board determines (based on advice from bankers, brokers, or other persons the Board considers appropriate to be consulted by it for the purpose) to be reasonably obtainable having regard to all the circumstances, including but not limited to the number of shares to be disposed of and any requirement that the disposal be made without delay; and the Board shall not be liable to any person (whether or not a US Holder) for any of the consequences of reliance on such advice. To the extent that the Company has authorisation to repurchase a Member's shares, the Board has the option, but not the obligation, exercisable in its sole discretion, to make a Required Disposal of Applicable Shares under this Article 51(j) by causing the Company to repurchase such Applicable Shares provided that it does so at Fair Market Value. "**Fair Market Value**" means, with respect to such a repurchase of Applicable Shares (x) if such shares are admitted for trading on AIM or listed on a securities exchange, the average closing sale price of such shares on such market or exchange, or, if such shares are admitted for trading or listed on more than one market or exchange, the average closing sale price of the shares on the principal securities exchange or market on which such shares are then traded, or, if such shares are not then listed or admitted for trading on a securities exchange but are traded in the over-the-counter market, the average of the latest bid and asked quotations for such shares in such market, in each case for the last 30 trading days immediately preceding the day on which notice of the repurchase of such shares is sent pursuant to these Articles or (y) if no such closing sales prices or quotations are available because such shares are not publicly traded or otherwise, the fair value of such shares as determined by one independent internationally recognized investment banking firm chosen by the Company and reasonably satisfactory to the Member whose shares are to be so repurchased by the Company. The calculation of the Fair Market Value of the shares made by such appointed investment banking firm shall not



include any discount relating to the absence of a public trading market for, or any transfer restrictions on, such shares, and such calculation shall be final and the fees and expenses stemming from such calculation shall be borne by the Company or its assignee, as the case may be.

- (k) For the purpose of effecting any Required Disposal, the Board may:
- (i) authorise in writing any officer or employee of the Company to execute any necessary transfer on behalf of any holder; and/or
  - (ii) convert any share from uncertificated form to certificated form,

and may enter the name of the transferee in the register in respect of the transferred shares notwithstanding the absence of any share certificate and may issue a new certificate to the transferee and an instrument of transfer executed by any officer or employee of the Company so authorised by the Board shall be as effective as if it has been executed by the holder of the transferred shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating to the sale. The proceeds of the Required Disposal shall be received by the Company or by any person nominated by the Company whose receipt shall be a good discharge for the purchase money and shall be paid (without any interest being payable in respect of it and after deduction of any expenses incurred by the Board in the sale) to the former holder (or, in the case of joint holders, the first of them named in the register) upon surrender by him or on his behalf to the Company for cancellation of any certificate in respect of the transferred shares.

- (l) Nothing in this Article 51 shall require the Board to assume that any person is a US Holder unless the information contained in the register, or in the Register of US Holders, appears to the Board to indicate to the contrary or the Board has reason to believe otherwise, in which circumstances the Board shall make enquiries in good faith to discover whether any person is a US Holder.
- (m) The Board shall not be obliged to give any notice otherwise required under this Article 51 to any person if it does not know either his identity or his address. The absence of such a notice in those circumstances and any accidental error in or failure to give any notice to any person to whom notice is required to be given under this Article shall not prevent the implementation of, or invalidate, any procedure under this Article 51.
- (n) Save as otherwise provided in this Article 51, the provisions of these Articles applying to the giving of notice of meetings to Members shall apply to the giving of any notice required by this Article. Any notice required by this Article to be given to a person who is not a Member, or who is a Member whose registered address is not within the United Kingdom and who has not given to the Company an address within the United Kingdom at which notices may be given to him, shall be deemed validly served if it is sent through the post in a pre-paid envelope addressed to that person at the address (or, if more than one, at one of the addresses), if any, at which the Board believes him to be resident or carrying on business or to his last known address as shown in the register. The notice shall in such a case be deemed to have been given on the third day following that on which the envelope containing the same is posted. Proof that the envelope was properly addressed, pre-paid and posted shall be conclusive evidence that the notice was given.

- (o) Any resolution or determination of, or decision or exercise of any discretion or power by, the Board or any director or by the chairman of any meeting under or pursuant to the provisions of this Article (including without prejudice to the generality of the foregoing as to what constitutes enquiries made in good faith or as to the manner, timing and terms of any Required Disposal made by the Board under Article 51(i) to 51(k) above) shall be final and conclusive; and any disposal or transfer made, or other thing done, by or on behalf of, or on the authority of, the Board or any director pursuant to the foregoing provisions of this Article shall be conclusive and binding on all persons concerned and shall not be open to challenge, whether as to its validity or otherwise on any ground whatsoever. The Board shall not be required to give any reasons for any decision, determination or declaration taken or made in accordance with this Article.
- (p) Nothing in this Article shall constitute the holders of Applicable Shares as a separate class.
- (q) This Article shall apply notwithstanding any provision in any other of these Articles which is inconsistent with or contrary to it.

#### **DESTRUCTION OF DOCUMENTS**

52. The Company shall be entitled to destroy:

- (a) all share certificates and dividend mandates and dividend warrants which have been cancelled or have ceased to have effect at any time after the expiration of two years from the date of such cancellation or cessation;
- (b) any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration;
- (c) any other document on the basis of which any entry in the Register is made, at any time after the expiration of six years from the date of registration thereof; and
- (d) all notifications of change of name or address after the expiration of one year from the date on which they are recorded.

53. It shall conclusively be presumed in favour of the Company that every share certificate destroyed as permitted by Article 52 was a valid certificate duly and properly cancelled, that every entry on the Register purporting to have been made on the basis of a document so destroyed was duly and properly made and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed was a valid and effective document in accordance with the particulars of it recorded in the books or records of the Company, provided always that:

- (a) this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of the document might be relevant to a claim;
- (b) nothing in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as provided for in this Article or in any other circumstances which would not attach to the Company in the absence of this Article;



- (c) reference in this Article to the destruction of any document includes references to its disposal in any manner; and
- (d) any document referred to in Article 52 may be destroyed at a date earlier than that authorised by that Article provided that a permanent copy of such document shall have been made which shall not be destroyed before the expiration of the period applicable to the destruction of the original of such document and in respect of which the Directors shall take adequate precautions for guarding against falsification and for facilitating its production.

#### **UNTRACED SHAREHOLDERS**

54. The Company shall be entitled to sell at the best price reasonably obtainable any share of a member or any share to which a person is entitled by transmission if and provided that:
- (a) during a period of 12 years (provided that in that period at least three dividends, whether interim or final, shall have been declared and paid) no cheque or warrant sent by the Company to the member or person entitled by transmission in the manner authorised by these Articles has been cashed and no communication has been received by the Company from the member or person entitled by transmission;
  - (b) the Company has at the expiration of that period given notice by advertisement in both a national newspaper published in the United Kingdom and a newspaper circulating in the area in which the last known address of the member or the address at which service of notices may be effected in the manner authorised by these Articles is located of its intention to sell such share;
  - (c) the Company has not during the further period of three months after the date of the advertisement (or, if published on different dates the later of the two advertisements) and prior to the date of sale received any communication from the member or person entitled by transmission; and
  - (d) if such share is admitted to trading on the London Stock Exchange the Company has first given notice in writing to the London Stock Exchange of its intention to sell such share.
55. To give effect to any such sale the Company may appoint any person to execute as transferor any necessary instrument of transfer of such share and such instrument of transfer shall be as effective as if it had been executed by the holder or person entitled by transmission to the share. The transferee shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of sale shall belong to the Company and on receipt the Company shall be indebted to the member or other person entitled to such share for an amount equal to the net proceeds of such sale but no trust shall be created and no interest shall be payable in respect of the proceeds of sale which may either be employed in the business of the Company or invested in such investment (other than shares of the Company or its holding company, if any) as the Board may at any time think fit.

#### **SUSPENSION OF RIGHTS WHERE NON-DISCLOSURE OF INTERESTS**



56. The Board shall have power by notice in writing to require any member to disclose to the Company the identity of any person other than the Member (an interested party) who has any interest in the shares held by the Member and the nature of such interest. Any such notice shall require any information in response to such notice to be given in writing within such reasonable time as the Board shall determine. The Company shall maintain a register of interested parties to which the provisions of s55 and s58 of the Companies (Guernsey) Laws, 1994 shall apply mutatis mutandis as if the register of interested parties was the Register and whenever in pursuance of a requirement imposed on a shareholder as aforesaid the Company is informed of an interested party, the identity of the interested party and the nature of the interest shall be promptly inscribed therein together with the date of the request.
57. If any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice in accordance with Article 56 and is in default for the prescribed period in supplying to the Company the information thereby required, then at any time thereafter the Board may in its absolute discretion by notice (a "**direction notice**") to such member direct:
- (a) that in respect of the shares in relation to which the default occurred (the "**default shares**", which expression shall include any further shares which are issued in respect of such shares) the member shall not be entitled to vote either personally or by proxy at a general meeting of the Company or a meeting of the holders of any class of shares of the Company or to exercise any other right conferred by membership in relation to general meetings of the Company or meetings of the holders of any class of shares of the Company; and/or
  - (b) where the default shares represent at least 0.25 per cent. of the issued shares of any class of shares of the Company, that:
    - (i) any dividend or other money which would otherwise be payable in respect of the default shares shall (in whole or any part thereof) be retained by the Company without any liability to pay interest thereon when such money is finally paid to the member and, in circumstances where an option to elect to receive Shares instead of cash in respect of any dividend shall be or has been given to members, any notice of election made under such an option in respect of the default shares shall not be effective; and/or
    - (ii) no transfer, other than an approved transfer, of any of the shares held by such member shall be registered unless:
      - (1) the member is not himself in default as regards supplying the information required; and
      - (2) the transfer is of part only of the member's holding and when presented for registration is accompanied by a certificate from the member, in a form satisfactory to the Directors, to the effect that after due and careful enquiry the member is satisfied that none of the shares the subject of the transfer are default shares; and/or
    - (iii) any shares held by such member in uncertificated form shall forthwith be converted into certificated form (and the Directors shall be entitled to direct the operator of any Relevant System applicable to those shares to effect that conversion immediately) and that member shall not thereafter be entitled to convert all or any shares held by him into uncertificated form (except with the authority of the Directors) unless:

- (1) the member is not himself in default as regards supplying the information required; and
  - (2) the shares which the member wishes to convert are part only of his holding and he has issued a certificate, in a form satisfactory to the Directors, to the effect that after due and careful enquiry the member is satisfied that none of the shares he is proposing to convert into uncertificated form are default shares.
58. The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but the failure or omission by the Company to do so shall not invalidate such notice. Neither the Company nor the Directors shall in any event be liable to any person as a result of the Directors having imposed any restrictions pursuant to Article 57 if the Directors have acted in good faith.
59. Any direction notice shall have effect in accordance with its terms until seven days (or such shorter period as the Directors may resolve) after the earlier of the date on which:
  - (a) the Company is satisfied that the default in respect of which the direction notice was issued has been rectified; and
  - (b) notification shall be received by the Company that the default shares shall have been transferred to a third party by means of an approved transfer.
60. The Directors may at any time give notice cancelling a direction notice, in whole or in part or suspending, in whole or in part, the imposition of any restrictions contained in the direction notice for a given period. If dividends or other moneys payable in respect of any default shares shall be withheld as a result of any restrictions imposed by a direction notice such dividends or other money shall accrue and shall be payable (without interest) upon the relevant restrictions ceasing to apply.
61. For the purposes of Articles 56 – 60:
  - (a) a person shall be treated as appearing to be interested in any shares if the member holding such shares or any other person has given to the Company a notification which either:
    - (i) names such person as being so interested; or
    - (ii) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;
  - (b) the prescribed period is 14 days from the date of service of the notice in accordance with Article 56;
  - (c) a transfer of shares is an approved transfer if and only if:
    - (i) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a public offer made to acquire all the issued share capital of the Company not already owned by the offeror or by a connected person of the offeror in respect of the Company; or



- (ii) the Directors are satisfied that the transfer is made pursuant to a bona fide sale of the whole of the beneficial ownership of the shares to a party unconnected with the member or with other persons appearing to be interested in such shares; or
  - (iii) the transfer results from a sale made through a recognised investment exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded;
- (d) reference to a person being in default in supplying to the Company the information required by a notice in accordance with Article 56 includes:
- (i) reference to his having failed or refused to give all or any part of it; and
  - (ii) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular.

#### **ALTERATION OF CAPITAL**

62. The Company at any time may by ordinary resolution increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe.
63. Any new shares shall be of such class and amount and have such preference or priority as regards dividends or in the distribution of assets or as to voting or otherwise over any other shares of any class whether then issued or not or be subject to such stipulations deferring them to any other shares with regard to dividends or in the distribution of the assets as the Board may determine.
64. The Company may by ordinary resolution:-
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) subdivide all or any of its shares into shares of smaller amount than is fixed by the Memorandum so however that in subdivision the proportion between the amount paid and the amount if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that the resolution whereby any share is subdivided may determine that as between the holders of the shares resulting from subdivision one or more of the shares may have such preferred deferred or other rights over the others as the Company has power to attach to unissued or new shares;
  - (c) cancel any shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
65. Subject to any direction by the Company in general meeting, wherever as the result of any consolidation or sub-division of shares, members of the Company are entitled to any issued shares of the Company in fraction, the Board may:
- (a) in particular (but without prejudice to the foregoing) sell the shares representing the fractions to any person (including, subject to the Laws, the Company) for the best price reasonably obtainable and distribute the net proceeds of sale to and among the members entitled to such shares in due proportions. For the purpose of giving effect



to any such sale the Directors may nominate some person to execute a transfer or deliver the shares sold to or in accordance with the directions of the purchaser and may cause the name of the purchaser or such person as he may direct to be entered in the Register as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale; or

- (b) if the necessary unissued shares are available issue to each such holder credited as fully paid up by way of capitalisation the minimum number of shares required to round up his holding to a whole number (such issue being deemed to have been effected immediately prior to consolidation) and the amount required to pay up such shares shall be appropriated at their discretion from any of the sums standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve) or to the credit of profit and loss account and capitalised by applying the same in paying up such shares.

- 66. Subject to the Laws, the Company may by special resolution reduce its share capital any capital redemption reserve fund or any share premium account in any manner and with and subject to any incident authorised and consent required by the Laws.

#### **GENERAL MEETINGS**

- 67. The first general meeting of the Company shall be held within such time as may be required by the Laws and thereafter general meetings shall be held once at least in each subsequent calendar year. Other meetings of the Company shall be called extraordinary general meetings. General meetings may be held in Guernsey or elsewhere at the discretion of the Directors.
- 68. A Member participating by video link or telephone conference call or other electronic or telephonic means of communication in a meeting at which a quorum is present shall be treated as having attended that meeting provided that the Members present at the meeting can hear and speak to the participating Member.
- 69. A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Members participates and all participants can hear and speak to each other shall be a valid meeting which shall be deemed to take place where the Chairman is present unless the Members resolve otherwise.
- 70. Any general meeting convened by the Board unless its time shall have been fixed by the Company in general meeting or unless convened in pursuance of a requisition may be postponed by the Board by notice in writing and the meeting shall subject to any further postponement or adjournment be held at the postponed date for the purpose of transacting the business covered by the original notice.
- 71. The Board may whenever it thinks fit and shall on the requisition in writing of one or more holders representing not less than one-tenth of the issued share capital of the Company upon which all calls or other sums then due have been paid forthwith proceed to convene an extraordinary general meeting.
- 72. The requisition shall be dated and shall state the object of the meeting and shall be signed by the requisitionists and deposited at the Office and may consist of several documents in like form each signed by one or more of the requisitionists.

73. If the Board does not proceed to cause a meeting to be held within twenty-one days from the date of the requisition being so deposited the requisitionists or a majority of them in value may themselves convene the meeting.
74. Any meeting convened by requisitionists shall be convened in the same manner (as nearly as possible) as that in which meetings are convened by the Board.

#### **NOTICE OF GENERAL MEETINGS**

75. Not less than ten days' written notice specifying the time and place of any general meeting and specifying also in the case of any special business the general nature of the business to be transacted shall be given by notice sent by post by the Secretary or other Officer of the Company or any other person appointed in that behalf by the Board to such Members as are entitled to receive notices provided that with the consent in writing of all the Members a meeting may be convened by a shorter notice or at no notice and in any manner they think fit. In every notice there shall appear a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a Member.
76. The accidental omission to give notice of any meeting to or the non receipt of such notice by any Member shall not invalidate any resolution or any proposed resolution otherwise duly approved.

#### **PROCEEDINGS AT GENERAL MEETINGS**

77. The ordinary business of an ordinary general meeting shall be to receive and consider the profit and loss account and the balance sheet of the Company and the reports of the Directors and the Auditors to elect Directors and appoint Auditors in the place of those retiring to fix the remuneration of the Directors and Auditors to sanction or declare dividends and to transact any other ordinary business which ought to be transacted at such meeting. All other business shall be deemed special and shall be subject to notice as hereinbefore provided.
78. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. The absence of a quorum shall not preclude the appointment of a chairman which shall not be treated as part of the business of the meeting. The quorum for a general meeting shall be two Members present in person or by proxy or a duly authorised representative of a corporation which is a Member.
79. If within half an hour after the time appointed for the meeting (or such longer interval not exceeding one hour as the Chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened by or upon a requisition shall be dissolved. If otherwise convened it shall stand adjourned for 14 days at the same time and place, or to such time and place as may be fixed by the Chairman of the meeting, and if at such adjourned meeting a quorum is not present, within half an hour from the time appointed for the holding of the meeting, the Members present in person and by proxy shall be a quorum.
80. The Members present in person or by proxy and entitled to vote shall choose one of their own number to be the Chairman.
81. 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 at any time and from any place. In addition, the Chairman may at any time without the consent of the meeting adjourn any meeting to another time or place if it appears to the Chairman that:



- (a) the number of persons wishing to attend cannot be conveniently accommodated in the place(s) for the meeting; or
- (b) the unruly conduct of persons attending the meeting prevents or is likely to prevent the orderly continuation of the business of the meeting; or
- (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

82. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

83. At any meeting a resolution put to the vote shall be decided by a show of hands or by a poll at the option of the Chairman. Nevertheless before or on the declaration of the result a poll may be demanded:-

- (a) by the Chairman of the meeting; or
- (b) in writing by at least five members present in person or by proxy or being a duly authorised representative of a corporation and entitled to vote; or
- (c) in writing by any member or members present in person or by proxy or being a duly authorised representative of a corporation which is a member and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) in writing by a member or members present in person or by proxy or being a duly authorised representative of a corporation holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid-up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll be demanded, a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority or lost, or not carried by a particular majority and an entry to that effect in the minute book shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded for or against such resolution.

84. A poll if demanded shall be taken at the meeting at which the same is demanded or at such other time and place as the Chairman shall direct and the result shall be deemed the resolution of the meeting.

85. 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 a poll has been demanded.

86. If a poll shall be duly demanded on the election of a Chairman or on any question of adjournment it shall be taken at once. A poll demanded on any other question shall be taken either immediately or at some time later during or at the end of the meeting or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the Chairman of the meeting may direct. No notice need be given of a poll not taken immediately.



87. The demand for a poll may at any time before the conclusion of the meeting be withdrawn but only with the consent of the Chairman, and if it is so withdrawn:

- (a) before the result of a show of hands is declared, the meeting shall continue as if the demand had not been made; or
- (b) after the result of a show of hands is declared, the demand shall not be taken to have invalidated that result,

but if a demand is withdrawn, the Chairman of the meeting or other member or members so entitled may himself or themselves demand a poll.

88. In case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall be entitled to have a second or casting vote in addition to the votes which he may have.

### VOTES OF MEMBERS

89. Subject to any other provision of these Articles and without prejudice to any special rights, privileges or restrictions as to voting attached to any shares for the time being forming part of the capital of the Company, every member present in person or (being a corporation) represented by a duly authorised representative, not being himself a Member shall have:

- (a) one vote on a show of hands.
- (b) on a poll, every Member present in person or by proxy shall have one vote for each share held by him subject to any special voting powers or restrictions.

89A. If at any time the Company is not subject to the United Kingdom's City Code on Takeovers and Mergers (the "**Code**") or any successor or other regime (whether statutory or non-statutory) governing the conduct of takeovers and mergers in, *inter alia*, the UK (any of such being the "**Takeover Regime**"), then, notwithstanding the above, it is the intention that the Takeover Regime shall apply to the Company and, to the extent that any provisions of the Takeover Regime have been incorporated into these Articles (including, without limitation, any right of consent, approval, consultation, discretion, waiver or other action) that the Panel (as defined in the Code) (or any other independent person) would be entitled to exercise if the Takeover Regime were to apply to the Company (a "**Right**"), these Articles shall be deemed to be altered to apply, *mutatis mutandis*, so that such Right shall be assumed by and exercised at the discretion of the Board, save where such matter relates to a Voluntary Offer, in which case such Right shall be assumed by and exercised at the discretion of an Expert (defined below), to be appointed as follows. If the Board so wishes, or as soon as reasonably practicable after it receives written notice from a Voluntary Offeror (or potential Voluntary Offeror) requesting such appointment, the Board shall appoint an independent person or persons (an "**Expert**"):

- (a) who shall be such person as may be (1) agreed between the Board and the Voluntary Offeror (or potential Voluntary Offeror) within 10 Business Days (or such longer period as the Board and the Voluntary Offeror (or potential Voluntary Offeror) may agree) following the Board (i) notifying such Voluntary Offeror (or potential Voluntary Offeror) of its intention to appoint an Expert, or (ii) being requested in writing by the Voluntary Offeror (or potential Voluntary Offeror) to do so, or (2) (failing such agreement) nominated by the President from time to time of the Law Society of England and Wales or any successor or equivalent body;



- (b) who shall be entitled to determine any questions of interpretation;
- (c) who shall be entitled to waive or amend (such waiver or amendment to be in writing), whether in whole or in part and subject to such conditions (if any) as it shall see fit, any of the requirements for or procedures applicable to a Voluntary Offer (including, without limitation, the applicable timetable) under this article 89A;
- (d) who shall be entitled to take into account any notes included in, or prepared in connection with, the Takeover Regime and any views (including, without limitation any rulings, public or private statements, views or guidance) of the supervisory body under the Takeover Regime;
- (e) whose fees and expenses shall be borne equally between the Company and any Voluntary Offeror (or potential Voluntary Offeror) or in such other proportion as the Expert shall determine; and
- (f) who shall be acting as expert and not arbitrator and whose decision shall be binding and final save in the event of manifest error.

For the purposes of this Article, a “**Voluntary Offer**” means any person (together with any persons considered by the Board to be acting in concert with him) making a voluntary offer for securities of the Company which, if accepted in full, would result in him or them (as the case may be) holding Shares carrying over 50% of the voting rights of the Company; and the person(s) making a Voluntary Offer shall be the “**Voluntary Offeror**”.

- 90. Where there are joint registered holders of any share, such persons shall not have the right of voting individually in respect of such share but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the Register shall alone be entitled to vote.
- 91. A member in respect of whom an order has been made by any Court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by any person authorised in that behalf by that Court, and any such person may, on a poll, vote by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be deposited at or delivered to the Office (or such other place or address as is specified in accordance with these Articles for the deposit or delivery of appointments of proxy) not later than the last time at which an appointment of proxy should have been deposited or delivered in order to be valid for use at that meeting or on the holding of that poll.
- 92. On a poll, votes may be given either personally or by proxy and a Member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. A proxy need not be a Member. An instrument of proxy may be valid for one or more meetings.
- 93. No Member shall be entitled to be present or take part in any proceedings or vote either personally or by proxy at any meeting unless all calls due from him have been paid. No Member shall be entitled to vote in respect of any shares that he has acquired by purchase for pecuniary consideration unless he has been registered as their holder.
- 94. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed shall be valid for all purposes. Any objection made in due time shall be referred to the Chairman whose decision shall be final and binding.

## PROXIES

95. A member may appoint any person (whether a member or not) his proxy and may appoint more than one proxy to attend and vote on the same occasion.
96. Deposit or delivery of a proxy shall not preclude a member from attending and voting at the meeting or any adjournment of it.
97. 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 under the hand of an officer or attorney duly authorised.
98. The signature on that appointment need not be witnessed. Where an appointment of proxy is signed on behalf of a corporation by an officer or on behalf of any appointor by an attorney, the Directors may, but shall not be bound to, require evidence of the authority of any such officer or attorney.
99. The Directors must send proxy forms by post (which may be at the expense of the Company and with or without provisions for their return pre-paid) or, to the extent that a member has consented to the use of electronic communications and notified an address for that purpose and if the Directors so decide, using electronic communications to all persons entitled to notice of, and to attend and vote at, any general meeting or at any separate meeting of the holders of any class of shares in the Company.
100. Such proxy forms shall provide for two-way voting on all resolutions to be proposed at that meeting other than resolutions relating to the procedure of the meeting and may either be in blank or may nominate in the alternative any one or more of the Directors or any other person.
101. The accidental omission to send such an appointment or the non-receipt of such appointment by any member entitled to attend and vote at a meeting shall not invalidate the proceedings at that meeting.
102. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll taken more than 48 hours after it was demanded, not less than 24 hours before the time appointed for the taking of the poll and where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting to the Chairman or to the Secretary or to any Director and in default unless the Board directs otherwise the instrument of proxy shall not be treated as valid.
103. The instrument appointing a proxy may be in any form which the Board may approve and may include an instruction by the appointor to the proxy either to vote for or against any resolution to be put to the meeting.
104. Without limiting any other provision of these Articles, in relation to an uncertificated share the Directors may from time to time:
  - (a) permit appointments of a proxy to be made by means of an Uncertificated Proxy Instruction;



- (b) where a proxy has been appointed by means of an Uncertificated Proxy Instruction, permit the revocation of the appointment by means of an Uncertificated Proxy Instruction;
  - (c) prescribe the method for determining the time at which any such Uncertificated Proxy Instruction is to be treated as received by the Company (or a participant in the Relevant System concerned on its behalf); and
  - (d) treat any such Uncertificated Proxy Instruction which purports to be or is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder.
105. For the purposes of Article 104, "**Uncertificated Proxy Instruction**" means an electronic communication in the form of:
- (a) an instruction which is properly authenticated as determined by the Regulations;
  - (b) any other instruction or notification; or
  - (c) any supplemented or amended instruction or notification,
- in each case sent by means of the Relevant System concerned and received by such participant in that system acting on behalf of the Company (and in such form and on such terms and conditions) as the Board may determine subject to the facilities and requirements of that system.
106. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and shall be as valid for any adjournment as for the meeting to which it relates.
107. No appointment of proxy shall be valid after the expiration of 12 months from the date stated in it as its date of execution except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting where the meeting was originally held within 12 months from such date.
108. An appointment of proxy shall be deemed to include the right to demand or join in demanding a poll but shall not confer any further right to speak at the meeting except with the permission of the Chairman of the meeting.
109. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed or transfer of the share in respect of which the appointment of proxy is given, provided that no notice in writing of such death, mental disorder or revocation or transfer shall have been received by the Company at the Office no later than the last time at which an appointment of proxy should have been delivered in order to be valid for use at the meeting or on the holding of the poll at which the vote was given for the poll demanded.

#### **CORPORATION ACTING BY REPRESENTATIVES**

110. Any corporation which is a Member may by resolution of its Directors or other governing body authorise such person as it thinks fit (who need not be a Member) to act as its representative at any separate meeting of the Company or of any class of Members of the Company or to approve any resolution submitted in writing and the person so authorised shall

be entitled to exercise on behalf of the corporation which he represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual Member of the Company and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present at it.

#### **WRITTEN RESOLUTIONS**

111. Resolutions of the Members may be approved in writing if so determined by the Directors in accordance with the Laws and every member voting thereon shall have one vote for each share subject to any special voting powers or restrictions.
112. Notice specifying the proposed resolution in writing may be forwarded by the Company to Members by post or by facsimile or such other telephonic or electronic means of written communications as the Board may determine at any time.
113. Notices of proposed written resolutions forwarded by post shall be sent to the address of such Members entered in the Register. Notices forwarded by any telephonic or electronic means of written communication shall be forwarded to such destination as the Member in question may at any time designate in writing signed by him.
114. Notices of proposed written resolutions shall incorporate or be accompanied by an instrument to be signed by or on behalf of the Member to who it is addressed for the purpose of approving the same.
115. Any notice of a proposed written resolution shall specify a date and time (whether greater or lesser than any period for the time being prescribed by the Laws) at which the instrument or instruments signed by or on behalf of the Members voting in favour thereof shall be counted and at which the resolution if approved by the requisite majority shall become effective. No instrument received or signature appended thereto after such time shall be counted.
116. Notwithstanding anything else contained herein (and in particular the method of forwarding the notice of and instrument for approving the written resolution to Members) all such instruments containing such approval shall be in writing and signed by the Member or Members in question. The signature of a Member shall be acceptable for such purposes if received by facsimile telephonic transmission.
117. The accidental omission to give notice of any proposed written resolution to or the non receipt of such notice by any member shall not invalidate any resolution or any proposed resolution otherwise duly approved.

#### **NUMBER, APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS**

118. The first Directors of the Company shall be appointed by the subscribers to the Memorandum. Unless such subscribers appoint a sole Director and until otherwise determined by the Board the number of Directors shall be not less than two and shall not be more than twelve.
119. The continuing Directors may act notwithstanding any vacancies in their number, but, if the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Director or Directors may act for the purpose of filling up vacancies in his or their number or of calling a general meeting of the Company, but not for any other purpose.



120. The Board shall have power at any time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the number (if any) fixed pursuant to these Articles. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election.
121. Subject to the provisions of these Articles, the Company may by ordinary resolution elect any person who is willing to act to be a Director either to fill a casual vacancy or as an addition to the existing Directors or to replace a Director removed from office under Article 132.
122. At each annual general meeting a minimum number equal to one-third of the number of Relevant Directors (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office. Directors retiring under Article 124 shall be counted as part of this minimum number. For the purposes of Articles 122 to 123 "**Relevant Directors**" means all the Directors for the time being excluding any Directors who are due to retire at that annual general meeting under Article 120.
123. The Directors to retire by rotation pursuant to Article 122 shall include (so far as necessary to obtain the minimum number required) after taking into account the Directors to retire under Article 124 any Relevant Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Relevant Directors who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.
124. In any event each Director shall retire and shall be eligible for re-election at the annual general meeting held in the third calendar year (or, in the case of any Director who has been in office as a non-executive Director for more than nine years consecutively, at the annual general meeting held in the next calendar year) following his last appointment election or re-election at any general meeting of the Company held after the date of adoption of these Articles.
125. At the meeting at which a Director retires under any provision of these Articles, the Company may by ordinary resolution (subject to Article 128) fill the vacated office by appointing a person to it, and in default the retiring Director shall be deemed to have been re-appointed except in the following cases:
  - (a) such Director has given notice to the Company that he is unwilling to be elected; or
  - (b) at such meeting it is expressly resolved not to fill such vacated office or a resolution for the re-appointment of such Director shall have been put to the meeting and not passed.
126. In the event of the vacancy not being filled at such meeting, it may be filled by the Directors as a casual vacancy in accordance with Article 120.
127. The retirement of a Director pursuant to Articles 122 to 124 shall not have effect until the conclusion of the relevant meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and not passed and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without break.

128. Except as otherwise authorised by the provisions of the Laws, the appointment of each person proposed as a Director shall be effected by a separate resolution.
129. No person, other than a Director retiring at a general meeting, shall unless recommended by the Directors be eligible for election by the Company to the office of Director or unless, not less than fourteen days before the date appointed for the meeting, there shall have been left at the Office notice in writing signed by a Member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected and stating all such particulars of him that would, on his appointment, be required to be included in the Company's Register of Directors.
130. In addition to any power of removal conferred by the Laws the Company may by Special Resolution remove any Director before the expiration of his term of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and the Board may appoint another person to be a Director in his stead who shall retain his office so long only as the Director in whose stead he is appointed would have held the same if he had not been removed. Such removal shall be without prejudice to any claim which such Director may have for damages for breach of any contract of service between him and the Company.
131. A Director need not hold any share qualification but shall be entitled to receive notice of and to attend and speak at any general meeting of the Company or at any separate meeting of the holders of any class of shares of the Company.
132. The office of a Director shall ipso facto be vacated:
- (a) if he (not being a person holding for a fixed term an executive office subject to termination if he cease from any cause to be a Director) resigns his office by written notice signed by him sent to or deposited at the Office;
  - (b) he offers to resign in writing and the Directors resolve to accept such offer;
  - (c) if he or his alternate (if any) is absent (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of twelve months and the Board resolves that his office shall be vacated;
  - (d) if he becomes of unsound mind or incapable;
  - (e) if he has his affairs declared "en desastre" or has a preliminary vesting order made against Guernsey realty, becomes bankrupt, is adjudged insolvent, suspends payment or compounds with his creditors;
  - (f) if he is requested to resign by written notice signed by all his co-Directors;
  - (g) if the Company in general meeting shall declare that he shall cease to be a Director;
  - (h) if he becomes prohibited by law from acting as a Director; or
  - (i) in the case of a Director who holds any employment or executive office within the Company or any subsidiary, his employment with the Company and/or the subsidiary shall be determined and the Directors shall resolve that he has by reason of such determination vacated office.



## **QUALIFICATION AND REMUNERATION OF DIRECTORS**

133. A share qualification for a Director may be fixed by the Company in general meeting and unless and until so fixed no qualification shall be required.
134. The Directors shall:
- (a) be paid out of the funds of the Company by way of Directors' fees such sums as shall be approved by the Company in general meeting. Directors' fees shall be deemed to accrue from day to day;
  - (b) also be entitled to be repaid all reasonable out of pocket expenses properly incurred by them in or with a view to the performance of their duties or in attending meetings of the Board or of committees or general meetings;
  - (c) if requested by the Board, render or perform extra or special services or shall travel or go to or reside in any country not his usual place of residence for any business or purpose of the Company he shall be entitled to receive such sum as the Board may think fit for expenses and also such remuneration as the Board may think fit either as a fixed sum or as a percentage of profits or otherwise and such remuneration may as the Board shall determine be either in addition to or in substitution for any other remuneration which he may be entitled to receive.
135. The Directors may exercise all the powers of the Company to provide benefits, either by the payment of gratuities or pensions or by insurance or in any other manner whether similar to the foregoing or not, for any Director or former Director who is or was at any time employed by, or held an executive or other office or place of profit in, the Company or any body corporate which is or has been a subsidiary of the Company or a predecessor of the business of the Company or of any such subsidiary and for the families and dependant of any such persons and for the purpose of providing any such benefits contribute to any scheme trust or fund or pay any premiums.
136. The Board may also establish and subsidise or subscribe to any institutions associations clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid or of any such persons as aforesaid and make payments for or towards the insurance of any such persons.

## **ALTERNATE DIRECTORS**

137. Any Director may by notice in writing under his hand served upon the Company appoint any person (whether a Member of the Company or not) as an alternate Director to attend and vote in his place at any meeting of the Directors at which he is not personally present or to undertake and perform such duties and functions and to exercise such rights as he could personally and such appointment may be made generally or specifically or for any period or for any particular meeting and with and subject to any particular restrictions. Every such appointment shall be effective and the following provisions shall apply:-
- (a) Every alternate Director while he holds office as such shall be entitled:-
    - (i) if his appointor so directs the Secretary, to notice of meetings of the Directors; and



- (ii) to attend and count in the quorum and to exercise (subject to any restrictions) all the rights and privileges of his appointor at all such meetings at which his appointor is not personally present.
- (b) Every alternate Director shall ipso facto vacate office if and when his appointment expires by effluxion of time or his appointor vacates office as a Director or removes the alternate Director from office as such by notice in writing under his hand served.
- (c) No alternate Director shall be entitled as such to receive any remuneration from the Company but every alternate Director shall be entitled to be paid all reasonable expenses incurred in exercise of his duties.
- (d) A Director may act as alternate Director for another Director and shall be entitled to vote for such other Director as well as on his own account but no Director shall at any meeting be entitled to act as alternate Director for more than one other Director.

#### **BORROWING POWERS OF THE BOARD**

138. The Board may exercise all the powers of the Company to borrow money and to mortgage hypothecate pledge or charge all or part of its undertaking property and assets and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any liability or obligation of the Company or of any third party.

#### **OTHER POWERS AND DUTIES OF THE BOARD**

139. The business of the Company shall be managed by the Board who may exercise all such powers of the Company as are not required to be exercised by the Company in general meeting subject nevertheless to these Articles and to the Laws and to such regulations as may be prescribed by the Company in general meeting but no regulation so made shall invalidate any prior act of the Board. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.
140. The Board may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies and the Board may on behalf of the Company make such arrangements as it thinks advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing assisting or subsidising any such subsidiary company or guaranteeing its contracts obligations or liabilities.
141. The Board may establish any local boards or agencies for managing any of the affairs of the Company and may appoint any one or more of its number or any other persons to be members of such local Boards or any managers or agents and may fix their remuneration and may delegate to any local board manager or agent any of the powers authorities and discretions vested in the Board with power to sub-delegate and may authorise the members of any local board to fill any vacancies and to act notwithstanding vacancies and any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit and the Board may remove any person so appointed and may annul or vary any such delegation but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
142. The Directors may delegate any of their powers or discretions (including, without limitation, the power to determine Directors' fees or additional remuneration and to vary the terms and conditions of employment of or confer any other benefit on any of the Directors) to committees. No such committee shall, unless the Directors otherwise resolve, have power to



sub-delegate to sub-committees any of the powers or discretion delegated to it. Any such committee or sub-committee shall consist of one or more Directors provided that a majority of the members of the committee shall be Directors and no resolutions of the committee shall be effective unless a majority of those present when it is passed are Directors.

143. Any committee or sub-committee so formed shall in the exercise of the powers so delegated and in the conduct of its meetings and proceedings conform to any regulations which may from time to time be imposed on it by the Directors.
144. Subject to the foregoing, the meetings and proceedings of any such committee or sub-committee consisting of two or more members shall be governed mutatis mutandis by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are not superseded by any regulations made by the Directors under Article 142.
145. The Board may at any time by power of attorney given under the hand of such person or persons duly authorised in that behalf appoint any person or any fluctuating body of persons whether nominated directly or indirectly by the Board to be the attorney of the Company for such purposes and with such powers and discretions and for such periods and subject to such conditions as the Board may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any attorney as the Board may think fit and may also authorise any attorney to sub-delegate all or any of his powers and discretions.
146. The Board may entrust to and confer upon any Director any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit and either collaterally with or to the exclusion of their own powers and may from time to time revoke withdraw alter or vary all or any of such powers but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.
147. A Director who is in any way directly or indirectly interested in a contract or arrangement or proposed contract or arrangement with the Company shall disclose the nature of his interest at a meeting of the Board. In the case of a proposed contract such disclosure shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if the Director was not at the date of that meeting interested in the proposed contract or arrangement at the next meeting of the Board held after he became so interested. In a case where the Director becomes interested in a contract or arrangement after it is made disclosure shall be made at the first meeting of the Board held after the Director becomes so interested. For the purpose of the foregoing a general notice given to the Board by a Director to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm shall be deemed to be a sufficient disclosure of interest unless either it is given at a meeting of the Board or the Director takes reasonable steps to ensure that it is raised and read at the next meeting of the Board after it is given.
148. Save as otherwise provided by these Articles, a Director shall not vote at a meeting of the Directors in respect of any contract or arrangement or any other kind of proposal whatsoever in which he has an interest which (together with any person connected with him) is to his knowledge a material interest (other than an interest in shares, debentures or other securities of or otherwise in or through the Company). A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is not entitled to vote.

149. A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:
- (a) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its Subsidiaries;
  - (b) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its Subsidiaries for which the Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - (c) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its Subsidiaries for subscription or purchase or exchange in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting of such offer;
  - (d) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise, provided that he (together with persons connected with him) does not to his knowledge hold an interest in shares representing one per cent or more of the issued shares of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purposes of this Article to be a material interest in all circumstances);
  - (e) any proposal concerning the adoption, modification or operation of a pension, superannuation or similar scheme or retirement death or disability benefits scheme or an employees' share scheme under which he may benefit and which relates both to employees and Directors and does not accord to such Director any privilege or benefit not generally accorded to the employees to whom such scheme relates;
  - (f) any proposal concerning the purchase, funding and/or maintenance of insurance which the Company is empowered to purchase fund and/or maintain for or for persons who include any Director or other officer of the Company under which he may benefit.
150. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or with any company in which the Company is interested, or to fix or vary the terms of such appointments, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under 149(d)) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
151. For the purposes of Articles 147 to 152, an interest of a person who is, for any purpose of the Laws (excluding any statutory modification thereof not in force when these Articles become binding on the Company), connected with a Director shall be treated as an interest of the Director and in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise.



152. If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.
153. A Director may hold any other office or place of profit under the Company (other than Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
154. Any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
155. All cheques promissory notes drafts bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed drawn accepted endorsed or otherwise executed in such manner as the Board shall at any time determine.
156. The Board shall cause minutes to be made in books provided for the purpose:-
  - (a) of all appointments of officers made by the Directors;
  - (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and
  - (c) of all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the Directors and of committees of the Directors and of all written resolutions of the Directors.

Any such minutes, if purporting to be signed by the Chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence of the facts stated in them without any further proof.

#### **PROCEEDINGS OF THE BOARD**

157. The Board may meet for the dispatch of business adjourn and otherwise regulate its meetings as it thinks fit, such meetings to be held in Guernsey or elsewhere outside the UK at the discretion of the Directors. No Board meetings are permitted to take place at any location within the UK. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman at the meeting shall have a second or casting vote.
158. A Director participating by video link or telephone conference call or other electronic or telephonic means of communication in a meeting of the Board at which a quorum is present shall be treated as having attended that meeting provided that the Directors present at the meeting can hear and speak to the participating Director.

159. A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Directors participates and all participants can hear and speak to each other shall be a valid meeting which shall be deemed to take place where the Chairman is present unless the Directors resolve otherwise.
160. The Board shall also determine the notice necessary for its meetings and the persons to whom such notice shall be given.
161. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be two except that where the minimum number of Directors has been fixed at one a sole Director shall be deemed to form a quorum. For the purposes of this Article an alternate appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present.
162. A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions exercisable by the Board.
163. The continuing Directors may act notwithstanding any vacancy but if and so long as their number is reduced below the minimum number fixed pursuant to these Articles the continuing Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting but for no other purpose. If there be no Directors able or willing to act then any holder may summon a general meeting for the purpose of appointing Directors.
164. The Board may elect a Chairman of their meetings and determine the period for which he is to hold office and, without prejudice to any rights which he may have against the Company by reason of such removal, may remove such Chairman from such office at any time. If no such Chairman be elected or if at any meeting the Chairman be not present within five minutes after the time appointed for holding the same the Directors present may choose one of their number to be Chairman of the meeting.
165. A resolution in writing signed by each Director (or his alternate) entitled to receive notice of a meeting of the Board or by all the members of a committee shall be as valid and effectual as a resolution passed at a meeting of the Board or committee. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or members of the committee and may be transmitted to the Company by facsimile.

#### **EXECUTIVE DIRECTOR**

166. The Board may at any time appoint one or more of their body to be holder of any executive office (including but without limitation the office of Chairman, Managing Director or Chief Executive) on such terms and for such periods as they may determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time be revoked.
167. The appointment of any Director to any executive office shall be subject to termination if he ceases from any cause to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

#### **SECRETARY**

168. Subject to the Laws, the Secretary shall be appointed by the Board for such term at such remuneration and upon such conditions as the Board may think fit; and any Secretary so appointed may be removed by the Board but without prejudice to any claim which he may



have for damages for breach of any contract of service between him and the Company. If thought fit, two or more persons may be appointed as joint Secretaries and the Directors may also appoint at any time on such terms as they think fit one or more assistant or deputy Secretaries.

169. Any provision of the Laws or these Articles requiring or authorising a thing to be done by a Director and the Secretary shall not be satisfied by its being done by the same person acting both as Director and as or in the place of the Secretary provided that nothing in this Article shall prevent or restrict a Director from being a Director or Secretary of a Director or the Secretary being corporate bodies.

#### **THE SEAL**

170. If the Board determines to maintain a Seal they shall provide for the safe custody of the Seal which shall only be used by authority of the Board or of a committee and every instrument to which the Seal shall be affixed shall be signed by any such persons as are authorised by the Board in that behalf. The Board may authorise the use of a duplicate or facsimile Seal for use outside Guernsey in such manner as the Board may at its discretion determine.

#### **AUTHENTICATION OF DOCUMENTS**

171. Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the Company (including the Memorandum and these Articles) and any resolutions passed by the Company or the Board or any committee of the Directors and any books, records, documents and accounts relating to the business of the Company and to certify copies or extracts from them as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office the local manager or other Officer of the Company having their custody shall be deemed to be a person appointed by the Board as aforesaid. A document purporting to be a copy of a resolution or an extract from the minutes of a meeting of the Company or of the Directors or any committee which is certified, as described in this Article, shall be conclusive evidence in favour of all persons dealing with the Company, upon the faith of such resolution or extract of minutes that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

#### **DIVIDENDS**

172. The Company in general meeting may by ordinary resolution declare dividends but no dividend shall exceed the amount recommended by the Board.
173. No dividend shall be paid otherwise than out of the profits of the business of the Company.
174. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid.
175. The Board may at any time declare and pay such interim dividends as appear to be justified by the position of the Company. The Board may also declare and pay any fixed dividend which is payable on any shares of the Company half-yearly or otherwise on fixed dates whenever the position in the opinion of the Board so justifies.
176. Subject to the Laws where any asset business or property is bought by the Company as from a past date whether such date be before or after the incorporation of the Company profits and

losses as from such date may at the discretion of the Board in whole or in part be carried to revenue account and treated for all purposes as profits and losses of the Company. Subject as aforesaid if any shares or securities are purchased cum dividend or interest such dividend or interest may at the discretion of the Board be treated as revenue and it shall not be obligatory to capitalise all or part of the same.

177. The Board may deduct from any dividend payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
178. The Board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the liabilities or obligations in respect of which the lien exists.
179. The Board may retain dividends payable upon shares in respect of which any person is entitled to become a Member until such person has become a Member.
180. The Board may also retain any dividends or other moneys payable on or in respect of a share on which the Company has a lien, and may apply at the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
181. With the sanction of the Company in general meeting any dividend may be paid wholly or in part by the distribution of specific assets and in particular of paid-up shares of the Company. Where any difficulty arises in regard to such distribution the Board may settle the same as it thinks expedient and in particular may issue fractional shares and fix the value for distribution of such specific assets and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of Members and may vest any such specific assets in trustees for the Members entitled as may seem expedient to the Board.
182. Any dividend interest or other moneys payable in cash in respect of registered shares may be paid by cheque or warrant or similar financial instrument sent through the post to the registered address of the 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 such address as the holder or joint holders may in writing direct. Every such cheque, warrant or similar financial instrument shall be made payable to, or (at the Company's discretion) to the order of, the person to whom it is sent and may be crossed "A/C Payee" or otherwise and shall be sent at the risk of such person. Payment of any cheque, warrant or similar financial instrument by the banker on whom it is drawn shall be a good discharge to the Company. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means (including, in relation to any dividend or other sum payable in respect of shares held in uncertificated form, by means of a Relevant System in any manner permitted by the rules of the Relevant System concerned) and to or through such person as the holder or joint holders (as the case may be) may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions. Any one of two or more joint holders may give effectual receipts for any dividends interest bonuses or other moneys payable in respect of their joint holdings.
183. No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.
184. All unclaimed dividends may, save as provided in these Articles, be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company



shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of six years after having been declared shall be forfeited and shall revert to the Company.

185. The Company may cease to send any cheque or warrant through the post or may stop the transfer of any sum by any bank or other funds transfer system or may stop any other means of payment made pursuant to Article 182, as the case may be, for any dividend payable on any shares in the Company which is normally paid in that manner on those shares if either in respect of at least two consecutive dividends payable on those shares the cheques or warrants have been returned undelivered or remain uncashed or the transfer or other means of payment has failed or in respect of one dividend payable on those shares the cheques or warrants have been returned undelivered or remain uncashed or the transfer or other means of payment has failed and reasonable enquiries made by the Company have failed to establish any new address of the holder of those shares but, subject to the provisions of these Articles, shall recommence sending cheques or warrants or transferring funds or using the other means of payment, as the case may be, in respect of dividends payable on those shares if the holder or person entitled by transmission claims the arrears of dividend in which event the Company shall resume payment of dividend (and arrears) as notified by the claimant or, in the absence of such notification, in the same manner in which payment was effected prior to the suspension of the payment of dividend. If any such cheque, warrant or order has or shall be alleged to have been lost, stolen or destroyed, the Directors may, on request of the person entitled thereto, issue a replacement cheque, warrant or order subject to compliance with such conditions as to evidence and indemnity and the payment of out of pocket expenses of the Company in connection with the request as the Directors may think fit.
186. The Company may, upon the recommendation of the Board, by ordinary resolution, direct payment of a dividend wholly or partly by the distribution of specific assets (and in particular of paid up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution (including, without limitation, in relation to fractional entitlements or legal or practical problems under the law of, or the requirements of any recognised regulatory body or any stock exchange in, any country or territory), the Directors may settle the same as they think fit and in particular may issue fractional certificates (or ignore fractions) and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all members and may vest any assets in trustees, upon trust for the members entitled to the dividend and may determine that cash shall be paid to any overseas holder upon the footing of the value so fixed.
187. The waiver, in whole or in part, of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the holder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if to the extent that the same is accepted as such or acted upon by the Company.
188. Notwithstanding any other provision of these Articles but subject always to the Laws, the Company or the Directors may by resolution specify a date (the "**record date**") as the date at the close of business (or such other time as the Directors may determine) on which persons registered as the holders of shares or other securities shall be entitled to receipt of any dividend, distribution, allotment, issue, notice, information, document or circular and such record date may be on or before the date the same is made, paid or despatched or (in the case of any dividend, interest, allotment or issue) after the date on which the same is recommended, resolved, declared or announced but without prejudice to the rights inter se in respect of the same of the transferors and transferees of any such shares or other securities.



189. With the prior approval of an ordinary resolution of the Company passed at any general meeting the Board may, in respect of any dividend specified by the ordinary resolution, offer any holders of the Shares the right to elect to receive in lieu of that dividend (or part of any of that dividend) an allotment of Shares credited as fully paid. In any such case, the following provisions shall apply:

- (a) the ordinary resolution may authorise the Directors to make such offer in respect of a particular dividend (whether or not already declared or recommended) and/or in respect of all or any dividends declared, proposed to be paid or made within a period specified by that ordinary resolution;
- (b) the basis of allotment shall be determined by the Directors so that the value (calculated at the Relevant Price) of the additional Shares each holder of Shares who elects to receive the same shall be allotted in lieu of any amount of dividend shall equal as nearly as possible the net cash amount of the dividend that such holder elects to forgo and may (with the sanction of a Special Resolution) exceed such amount. For that purpose, the "**Relevant Price**" of an Ordinary Share shall be the average of the middle market quotations of the Shares on the London Stock Exchange, as derived from the Daily Official List, on such five consecutive dealing days as the Board shall determine provided the first of such days shall be on or after the day on which such Shares are first quoted "ex" the relevant dividend, or shall be calculated in such other manner as the Board may determine and is set out in the announcement of the availability of the election in respect of the relevant dividend. A certificate or report by the Auditors as to the amount of the Relevant Price in respect of any dividend shall be conclusive evidence of that amount and in giving such a certificate or report the Auditors may rely on advice or information from brokers or other sources of information as they think fit;
- (c) if the Directors determine to allow such right of election on any occasion they shall give notice in writing to the holders of Shares of the right of election offered to them and shall specify the procedure to be followed (which, for the avoidance of doubt, may include an election by means of a Relevant System); the Directors may also establish or vary a procedure for election mandates under which shareholders may elect to receive Shares instead of cash both in respect of the relevant dividend and (until they notify the Company that such mandate is revoked) in respect of future dividends not yet declared or resolved (and accordingly in respect of which the basis of allotment shall not have been determined) and the Directors may include in the procedure the right to make and revoke such election by means of a Relevant System;
- (d) the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable in cash on Shares in respect of which the share election has been duly exercised (the "**elected Shares**"), and in the place of that dividend additional shares (subject to paragraph (e) below) shall be allotted to the holders of the elected Shares on the basis of allotment determined as aforesaid. For such purpose the Directors shall capitalise, out of such of the sums standing to the credit of any reserve (including any share premium account or capital redemption reserve and/or profit and loss account) as the Directors may determine, whether or not the same is available for distribution, a sum equal to the aggregate nominal amount of additional Shares to be allotted on such basis and shall apply the same in paying up in full the appropriate number of unissued Shares for allotment and distribution to and amongst the holders of the elected Shares on such basis;
- (e) no fraction of any share shall be allotted. The Directors may make provisions as they think fit for any fractional entitlements including provisions whereby, in whole or in



part, the benefit of any fractions accrues to the Company and/or under which fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any shareholder and such accruals or retentions are applied to the allotment by way of bonus to or cash subscription on behalf of such shareholder of fully paid shares and/or provisions whereby cash payments may be made to members in respect of their fractional entitlements;

- (f) the additional Shares so allotted shall rank *pari passu* in all respects with the fully-paid Shares then in issue save only as regards participation in the relevant dividend;
- (g) Articles 194-195 shall apply (*mutatis mutandis*) to any capitalisation made pursuant to this Article;
- (h) the Directors may on any occasion determine that rights of election shall not be made available in respect of Shares represented by depositary receipts or to any holders of Shares with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of rights of election would or might be unlawful, undesirable or impracticable and in such event the provisions of this Article shall be read and construed subject to such determination;
- (i) in relation to any particular proposed dividend the Directors may in their absolute discretion amend, suspend or withdraw the offer previously made to holders of Shares to elect to receive additional Shares in lieu of the cash dividend (or any part of it) at any time prior to the allotment of the additional Shares; and
- (j) unless the Directors otherwise determine, or unless the Regulations and/or the rules of the Relevant System concerned otherwise require the new Ordinary Share or shares which a shareholder has elected to receive instead of cash in respect of the whole (or some part) of the specified dividend declared in respect of his elected Shares shall be in uncertificated form (in respect of the shareholder's elected shares which were in uncertificated form on the date of his election and in certificated form (in respect of the shareholder's elected Shares which were in certificated form on the date of his election).

## **RESERVES**

190. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as reserves which shall at the discretion of the Board be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may either be employed in the business of the Company or be invested in such investments (subject to the provisions of the Laws) as the Board may at any time think fit. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to divide. The Board may divide the reserve into any special funds as it thinks fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided.
191. The Board shall transfer to share premium account as required by the Laws sums equal to the amount or value of any premiums at which any shares of the Company shall be issued.

## **CAPITAL RESERVE**

192. The Board may, with the authority of an ordinary resolution, establish a capital reserve. All capital appreciation realised upon or derived from the sale or realisation of properties



securities or investments or other realisations of or dealings with the capital assets or any other sums which in the opinion of the Board are of a capital nature may if so determined by the Board be applied to capital purposes only and unless forthwith appropriated to meeting realised losses on sales or realisations or on any change or transposition of securities investments or properties or other realisations of or dealings with capital assets or to writing down properties securities investments or other capital assets (either individually or in the aggregate) shall be carried by the Board to the credit of a capital reserve and all losses of a similar nature shall be carried to the debit of such capital reserve.

193. The sum carried and at any time standing to the credit of the capital reserve shall not in any event be transferred to profit and loss or revenue account but may be regarded as available for capital distribution or for making good losses on the Company's properties securities and investments or for providing for depreciation in the value of the Company's properties securities and investments. Any moneys for the time being standing to the credit of the capital reserve may at the discretion of the Board either be employed in the business of the Company or be invested in such properties investments or other assets as the Board may think fit.

### **CAPITALISATION OF PROFITS**

194. The Company in general meeting may upon the recommendation of the Board resolve by ordinary resolution that it is desirable to capitalise all or any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or funds or to the credit of the profit and loss account or otherwise available for distribution and accordingly that such sums be set free for distribution amongst the Members or any class of Members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares of the Company to be allotted and distributed credited as fully paid to and amongst such Members. The Board may resolve that any shares so allocated to any member in respect of a holding by him of any partly paid shares shall, so long as such shares remain partly paid, rank for dividend only to the extent that the latter shares rank for dividend. The Directors may authorise any person to enter into an agreement with the Company on behalf of the persons entitled to participate in the distribution providing for the allotment to them respectively of any shares, debentures or other obligations of the Company to which they are entitled on the capitalisation and the agreement shall be binding on those persons.

195. Whenever such resolution shall have been passed the Board shall make all appropriations and applications of the undivided profits resolved to be capitalised and all allotments and issues of fully-paid shares and generally shall do all things required to give effect thereto with full power to the Board to make such provision by payment in cash or otherwise as it thinks fit for the case of shares becoming distributable in fractions and also to authorise any person to enter on behalf of all Members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid of any further shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment up by the Company on their behalf by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares and any agreement made under such authority shall be effective and binding on all such Members.

196. Where any difficulty arises in regard to any distribution of any capitalised reserve or fund the Board may settle the matter as they think expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may resolve that the



distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any members in order to adjust the rights of all parties, as may seem expedient to the Board.

## ACCOUNTS

197. The Board shall cause proper books of account to be kept with respect to all the transactions assets and liabilities of the Company in accordance with the Laws.
198. The books of account shall be kept at the Office or at such other place as the Board shall think fit and shall at all times be open to the inspection of the Directors but no person other than a Director or Auditor or other person whose duty requires and entitles him to do so shall be entitled to inspect the books accounts and documents of the Company except as provided by the Laws or authorised by the Board or by the Company in general meeting.
199. A balance sheet shall be laid before the Company at its ordinary general meeting in each year and such balance sheet shall contain a general summary of the assets and liabilities of the Company. The balance sheet shall be accompanied by a report of the Directors as to the state of the Company as to the amount (if any) which they recommend to be paid by way of dividend and the amount (if any) which they have carried or propose to carry to reserve. The Auditors' report shall be attached to the balance sheet or there shall be inserted at the foot of the balance sheet a reference to the report.
200. A copy of every balance sheet and of all documents annexed thereto including the reports of the Directors and the Auditors shall at least ten days before the meeting be served on each of the registered holders in the manner in which notices are hereinafter directed to be served and on the Auditors. Any holder may by written notice served on the Company waive this requirement.

## AUDIT

201. A Director shall not be capable of being appointed as an Auditor.
202. A person other than a retiring Auditor shall not be capable of being appointed Auditor at an ordinary general meeting unless notice of intention to nominate that person as Auditor has been given by a Member to the Company not less than fourteen days before the meeting and the Board shall send a copy of any such notice to the retiring Auditor and shall give notice to the Members not less than seven days before the meeting provided that if after notice of the intention to nominate an Auditor has been so given a meeting is called for a date fourteen days or less after such notice has been given the requirements of this provision as to time in respect of such notice shall be deemed to have been satisfied and the notice to be sent or given by the Company may instead of being sent or given within the time required by this Article be sent or given at the same time as the notice of the meeting .
203. The first Auditors shall be appointed by the Board before the first general meeting and they shall hold office until the first ordinary general meeting unless previously removed in which case the Members at such meeting may appoint Auditors.
204. The Board may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditors (if any) may act.



205. The remuneration of the Auditors shall be fixed by the Company in general meeting or in such manner as the Company may determine except that the remuneration of any Auditors appointed by the Directors shall be fixed by the Directors.
206. Every Auditor shall have a right of access at all times to the books accounts and documents of the Company and as regards books accounts and documents of which the originals are not readily available shall be entitled to rely upon copies or extracts certified by an officer of the Company and shall be entitled to require from the Board such information and explanations as may be necessary for the performance of their duties and the Auditors shall make a report to the Members on the accounts examined by them and the report shall state whether in their opinion the accounts give a true and fair view of the state of the Company's affairs and whether they have been prepared in accordance with the Laws.
207. Any Auditor shall be eligible for re-election.

### NOTICES

208. Any notice may be given by the Company to any Member either personally or by sending it by prepaid post addressed to such Member at his registered address or if he desires that notices shall be sent to some other address or person to the address or person nominated for such purpose or, subject to the Member consenting to the giving and delivery of that notice using electronic communications, by giving it using electronic communications to an address for the time being notified to the Company by that member for the purpose.
209. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the Register in respect of the share and notice so given shall be sufficient notice to all the joint holders.
210. Any notice given by the Company to the Members or any of them, and not provided for by or pursuant to these Articles, shall be sufficiently given if given by advertisement inserted in at least one national newspaper published in the United Kingdom.
211. A Member present either in person or by proxy, or in the case of a corporate Member by a duly authorised representative, at any meeting of the Company or of the holders of any class of shares shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
212. Any notice or other document if:
- (a) served by post shall be deemed to have been served in the case of a meeting on the day next following that on which the same was posted and in any other case at the time at which the notice would be delivered in the ordinary course of post. In proving such service it shall be sufficient to prove that the notice or document was properly addressed stamped and posted. In the event of a suspension or curtailment of postal services within Guernsey or the United Kingdom and the Company desires to but is unable effectively to convene a general meeting by notices sent through the post then a general meeting may be convened, notwithstanding the availability of other methods of giving a delivering notices, by a notice advertised on the same date in at least one national newspaper published in the United Kingdom and such notice shall be deemed to have been duly served on all members entitled thereto on whom the Company would otherwise have served the relevant notice by post at noon on the day that the advertisement appears;



- (b) given by advertisement shall be deemed to have been given or served on the day on which the advertisement appears;
  - (c) given or sent using electronic communications shall be deemed to have been given or delivered on the day following the date of transmission.
213. Any notice or document delivered or sent by post to or left at the registered address of any Member or given using electronic communications to the address of any Member pursuant to these Articles shall, notwithstanding the death or insolvency of such Member, and whether the Company has notice thereof, be deemed to have been duly served in respect of any share registered in the name of such Member as sole or joint holder and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in any such share.
214. The accidental failure to send any notice or other document to or the non-receipt of any notice or other document by any person entitled to any notice of, or other document relating to, any meeting or other proceeding shall not invalidate the relevant meeting or other proceeding.
215. If on three consecutive occasions notices have been sent in either or a combination of the following circumstances:
- (a) through the post to any Member at his registered address or his address for the service of notices but have been returned undelivered; or
  - (b) using electronic communications to any member at his address notified to the Company for that purpose but have failed to be transmitted and any duplicate notices sent through the post have been returned undelivered;

such member shall not thereafter be entitled to receive notices or other documents from the Company until he shall have communicated with the Company and supplied in writing to the Office a new registered address or address within the United Kingdom for the service of notices or, in so far as the Company intends to send any notice or other document using electronic communications and the member has consented to the giving or delivery of that notice or other document by electronic communications, an address for that purpose or, to the extent that paragraph (b) applies, a new address for that purpose.

#### **WINDING UP**

216. If the Company shall be wound up whether voluntarily or otherwise the Liquidator may with the sanction of a extraordinary resolution divide among the Members in specie or in kind the whole or any part of the assets of the Company whether or not the assets shall consist of property of on kind or shall consist of properties of different kinds and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the Members as the Liquidator with the like sanction shall think fit.
217. If thought expedient subject to the obtaining of any necessary consents or sanctions any such division may be otherwise than in accordance with the then existing rights of the Members and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in default of any such provision the assets shall subject to the rights

of the holders of shares issued with special rights or privileges or on special conditions be distributed rateably according to the amount paid up on the shares.

218. In case any of the shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within fourteen days after the passing of the special resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall if practicable act accordingly.

#### **INDEMNITY AND INSURANCE**

219. The Directors, Managing Directors, Managers, Agents, Auditors, Secretary and other officers or servants for the time being of the Company shall be entitled to be fully indemnified by the Company from and against all actions expenses and liabilities which they may incur by reason of any contract entered into or any act in or about the execution of their respective offices or otherwise in relation thereto, including any liability incurred by him in defending proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company save that this Article shall only have the effect referred to in s67F of the Companies (Guernsey) Laws 1994.
220. Without prejudice to the provisions of Article 219, and subject to the provisions of and so far as may be permitted by the Laws, the Board shall have power to purchase fund and/or maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of the Company, or of any company which is a subsidiary of the Company or in any way allied to or associated with the Company or any such subsidiary or of any predecessors of the business of the Company or any such company, or who are or were at any time trustees of any pension fund in which any employees of the Company or of any such other company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company or pension fund.

#### **INSPECTION OF DOCUMENTS**

221. The Board shall determine whether and to what extent and at what times and places and under what conditions the accounts books and documents of the Company shall be open to inspection and no Member shall have any right of inspecting any account or book or document except as conferred by the Laws or authorised by the Board.

#### **GOVERNING LAW AND JURISDICTION**

222. These Memorandum and Articles of Association are governed by and shall be construed in accordance with the laws of Guernsey and the Company, the Directors and the Members agree that all claims, disputes or proceedings howsoever arising under, from, or in connection with, these Memorandum and Articles, the Laws and any other claims, disputes or proceedings brought by the Members shall be governed exclusively by, and shall be determined in accordance with, the laws of Guernsey in the Guernsey courts. Unless otherwise determined by the Guernsey courts, each party to any dispute shall bear its own costs.



AFRICAN ENERGY RESOURCES (GUERNSEY) LIMITED

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Names, Addresses and Descriptions of Subscribers

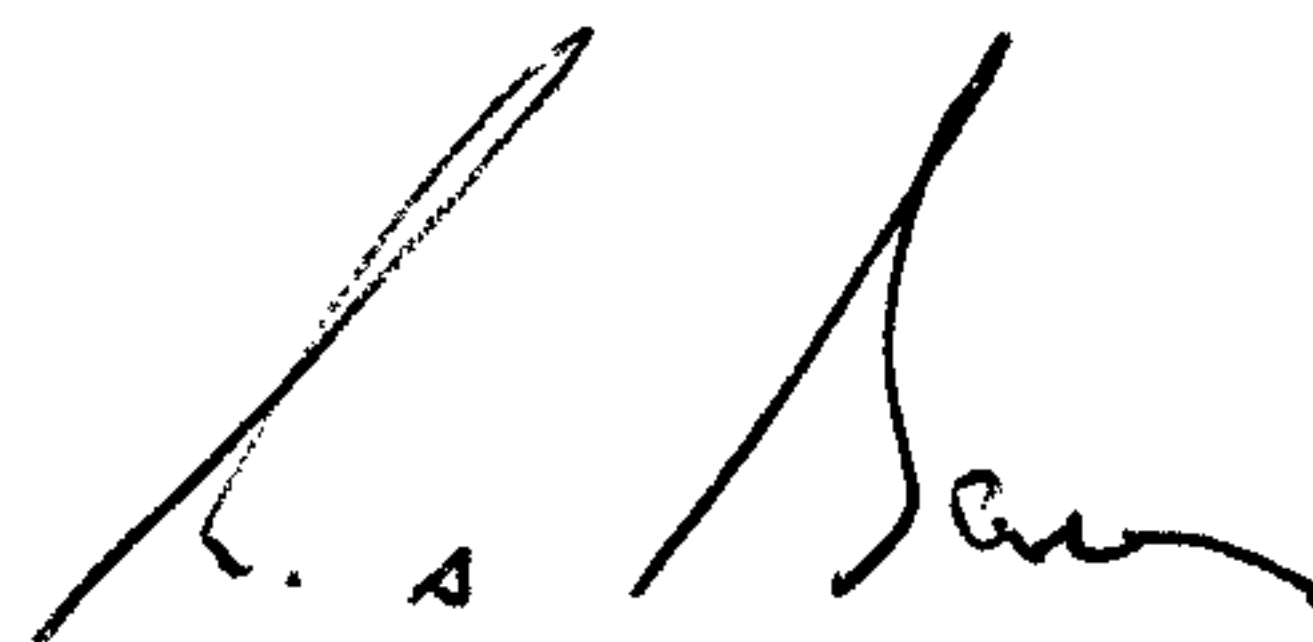
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Federal Trust Company Limited  
Granite House  
La Grande Rue  
St Martin  
Guernsey  
GY1 3RS



Company

Robin Andrew Barnes  
Granite House  
La Grande Rue  
St Martin  
Guernsey  
GY1 3RS

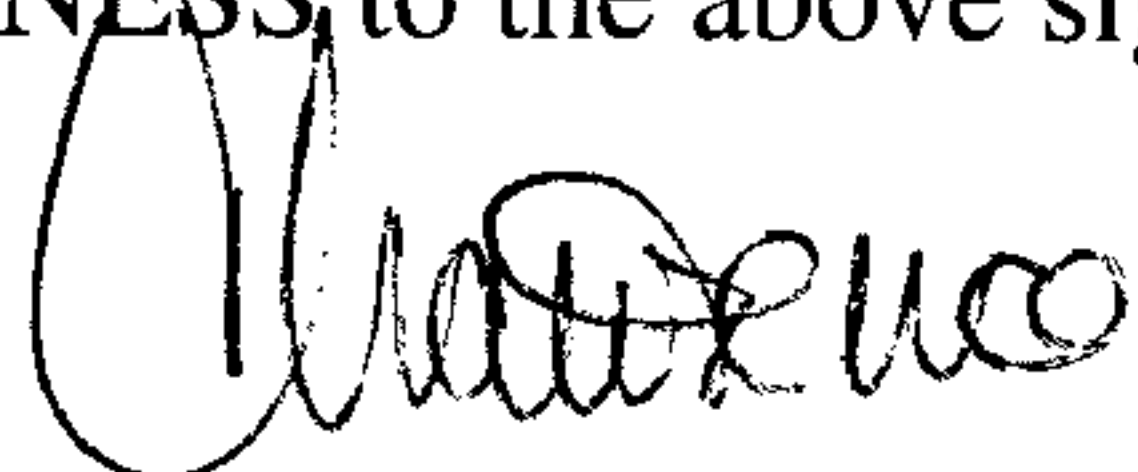


Company Director

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Dated this 20<sup>th</sup> day of September 2006

WITNESS to the above signatures:-



C. R. LAWRENCE  
GRANITE HOUSE  
LA GRANDE RUE  
ST. MARTIN  
GUERNSEY  
OCCUPATION: SECRETARY.

Company number: 45567

**COMPANIES (GUERNSEY) LAWS 1994 TO 1996**

**AFRICAN ENERGY RESOURCES (GUERNSEY) LIMITED**  
**(the "Company")**

**WRITTEN RESOLUTION**

In accordance with section 73A of the Companies (Guernsey) Laws 1994 to 1996, as amended (the "Companies Laws"), and the Company's Articles of Association, we, being all of the members of the Company entitled to receive notice of, and to attend and vote at, a general meeting of the Company in respect of the following resolution have, by our signature below, consented to the resolution below being circulated for signature without prior notice, pursuant to the provisions of section 73A(8), and have, by our signature below, passed the resolution of the Company with intent that the resolution shall take effect on the date on which the last of the members below signs the resolution:

**Special Resolutions**

1. **IT WAS RESOLVED THAT** Article 41 of the Company's Articles of Association be amended as follows by the insertion between "lien" and "provided" of the following wording:

"or where the shares to be transferred are at the relevant time the subject of a voting-rights suspension under Article 89A"

2. **IT WAS RESOLVED THAT** Article 89A of the Company's Articles of Association be deleted and replaced with the following new Article 89A:

"89A If:

- (a) at any time when the Company is not subject to the UK City Code on Takeovers and Mergers (the "**Code**") or any successor regime (whether statutory or non-statutory) governing the conduct of takeovers and mergers in the UK (any of such being the "**Takeover Regime**");
- (b) any person (together with any persons held to be acting with him) acquires any shares in the Company and as a result he (whether or not with the other persons) would (in the opinion of the Board) have been obliged under the Takeover Regime to extend an offer (a "**Mandatory Offer**") to the holders of any



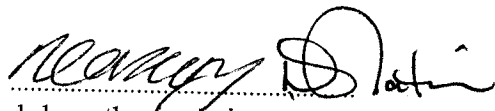
other shares in the Company had the Takeover Regime applied to the Company (such person or persons who would from time to time have been required to have made such an offer being the "Mandatory Offeror(s)"; and

- (c) the Mandatory Offeror(s) fail(s) to make such an offer on terms no less favourable (in the opinion of the Board) to the other shareholders than he/they would have been obliged to offer under the provisions of the Takeover Regime had it applied (a "Compliant offer") within 21 days following the date on which the obligation would have arisen,

the Board shall be entitled, but not obliged, to suspend with immediate effect, with notification thereof being given to the Mandatory Offeror(s) or (if different) the registered holders of the shares in the Company in which they have an interest, all voting rights attributable to the shares in the Company in which the Board considers the Mandatory Offeror(s) from time to time to have an interest. Any such suspension may, at the discretion of the Board, extend unless and until a Compliant Offer is made.

In applying the foregoing provisions the Board shall be entitled but not obliged to take into account any notes included in, or prepared in connection with, the Takeover Regime and any views of the supervisory body under the Takeover Regime.

The Board shall have no liability to any shareholder of the Company, any person who has any interest in the shares in the Company, or any other person for the manner in which they exercise or refrain from exercising any suspension powers under this Article or for any determination which the Board makes as to the application of the provisions of this Article to any particular circumstances."



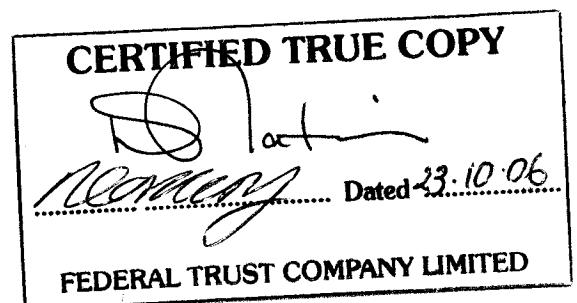
duly authorised signatory  
for and on behalf of  
**Federal Trust Company Limited**

Dated 20 October 2006



**Robin Andrew Barnes**

Dated 20 October 2006



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## **Extract of Resolution**

### **AFRICAN ENERGY RESOURCES LIMITED**

#### **Registered number 45567**

At the Annual General Meeting of the Members of the Company held at Frasers Restaurant, Private Dining Room, Frasers Avenue, West Perth 6005 Western Australia on the 24<sup>th</sup> November 2009, the following Resolution was unanimously adopted and approved:

102.

(a) In this Article:

(i)proportional takeover bid or bid means a proportional takeover bid as defined in section 9 of the Corporations Act ;

(ii)relevant day in relation to a proportional takeover bid means the day that is the fourteenth day before the end of the period during which the offers under the bid remain open; and

(iii)a reference to a person associated with another person has the meaning given to that expression by Division 2 of Part 1.2 of the Corporations Act.

(b) Where offers have been made under a proportional takeover bid in respect of Shares included in a class of Shares in the Company:

(i)other than where a transfer is effected in accordance with the takeover provisions (if any) under the ASX Settlement and Transfer Corporation Pty Ltd Settlement Rules, the registration of a transfer giving effect to a contract resulting from the acceptance of one of those offers is prohibited unless and until a resolution (in this Article referred to as an approving resolution) to approve the proportional takeover bid is passed in accordance with this Article;

(ii)a person (other than the bidder or a person associated with the bidder) who, as at the end of the day on which the first offer under the bid was made, held Shares in that class is entitled to vote on an approving resolution and, for the



the purpose of so voting, is entitled to one vote for each of the Shares;

- (iii) an approving resolution must be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the resolution; and
  - (iv) an approving resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one-half, and otherwise is taken to have been rejected.
- (c) The provisions of the Articles that apply in relation to a general meeting of the Company apply with any modifications the circumstances require, in relation to a meeting that is convened pursuant to the Article as if the last-mentioned meeting were a general meeting of the Company.
  - (d) Where offers have been made under a proportional takeover bid, then the Directors must ensure that a resolution to approve the bid is voted on in accordance with this Article before the relevant day in relation to the bid.
  - (e) Where a resolution to approve a proportional takeover bid is voted on in accordance with this Article, the Company must, on or before the relevant day in relation to the bid:
    - (i) Give to the bidder; and
    - (ii) Serve on the ASX ,  
  
a notice in writing stating that a resolution to approve the bid has been voted on and that the resolution has been passed, or has been rejected, as the case requires.
  - (f) Where, at the end of the day before the relevant day in relation to a proportional takeover bid, no resolution to approve the bid has been voted on in accordance with this Article a resolution to approve the bid must, for the purposes of the Article, be treated as having been passed in accordance with this Article.
  - (g) Where a resolution to approve a proportional takeover bid is voted on in accordance with this Article before the relevant day in relation to the bid and is rejected, then:
    - (i) All offers under the bid that have not, as at the end of the relevant day, been accepted, and all offers under the bid that have been accepted and from whose acceptance binding contracts have not, at the end of the relevant day, resulted, must be treated as withdrawn at the end of the relevant day; and
    - (ii) A person who has accepted an offer made under the bid is entitled to rescind the contract (if any) resulting from that acceptance.

- (h) Nothing in this Article authorises the Company to interfere with any takeover transfer procedures contained in the ASX Settlement and Transfer Corporation Pty Ltd Settlement Rules.
- (i) This Article ceases to have effect on the third anniversary of the date of its adoption or of its most recent renewal.

## TAKEOVER PROVISIONS

103.

- (a) In this Article 232, capitalised terms not previously defined shall have the following meaning:

(i) "**Affiliated Companies**" means:

- a. a Parent Company of the Person;
- b. a Subsidiary Company of the Person; and/or
- c. another company where the Person and that company are both Subsidiary Companies of the same Parent Company;

(ii) "**ASIC**" means the Australian Securities and Investment Commission;

(iii) "**Associate**" means:

- a. an Affiliated Company of the Person; and/or
- b. another Person with whom such Person has entered into an agreement, arrangement or understanding (whether formal or informal, whether written or oral and irrespective of whether it has legal or equitable force or effect) for the purpose of holding or acquiring a Relevant Interest or controlling or influencing the composition of the board of the Company or the conduct of the Company's affairs.

(iv) "**Australian Law and Policy**" means:

- a. decisions of an Australian court;
- b. published policy statements, practice notes and other guidelines and public releases issued by ASIC; and
- c. published decisions, rules, policies and other guidelines and public releases issued by the Panel, each in relation to the provisions in the Corporations Act (including predecessors of that legislation) similar in nature to this Article 232;

(v) "**Bid Securities**" means the Shares being bid for under a Takeover Bid;

(vi) "**Control**" means:



- a. the ability to exercise, directly or Indirectly:
  - i. more than twenty percent (20%) of the voting rights in a general meeting of such Person; or
  - ii. the right to dismiss or appoint more than fifty percent (50%) of the members of the Board; or
- b. in respect of a Person that is not a legal entity: being liable (whether actually or contingently) - alone or together with one or more Affiliated Companies - for such Person's debts vis-à-vis third parties;

(vii) "**Corporations Act Bid**" means a bid for Shares made in compliance, so far as possible, with Parts 6.4, 6.5, 6.6 and 6.8 of the Corporations Act in respect of off-market bids (as that term is defined in the Corporations Act) as if the Company were incorporated in Australia and were the "target" as defined in those Parts of the Corporations Act, subject to:

- a. any requirement under those provisions for a document to be lodged with ASIC being taken to be satisfied if the document is given to the ASX instead; and
- b. any other modifications or exemptions agreed between the Person making the bid and the Board in accordance with Article 232 (y);

(viii) "**Foreign Holder**" means a Shareholder whose address, as shown in the register in which details of their holding is recorded, is a place outside Australia and the external territories of Australia;

(ix) "**Indirectly**" means by, through or in concert with:

- a. one or more Affiliated Companies of such Person;
- b. a nominee or trustee for the Person; or
- c. another Person with whom such Person has entered into an agreement for the purpose of holding or acquiring a Relevant Interest;

(x) "**On Market Transaction**" means a transaction that is effected on the ASX and is:

- a. an on-market transaction as defined in the rules governing the operation of the ASX; or
- b. if those rules do not define on-market transactions - effected in the ordinary course of trading on the ASX;

(xi) "**Panel**" means the Takeovers Panel established under the Australian Securities and Investments Commission Act (2001) or any successor or replacement entity;

(xii) "**Parent Company**" means of a Person, one or more companies exercising Control over such Person;

(xiii) "**Person**" means a natural person, a legal entity or any other legal form that under applicable law has the power to hold a Relevant Interest;

(xiv) "**Relevant Interest**" means any interest in Shares that causes or permits a Person to:

- a. exercise or to influence (or restrain) the exercise of voting rights on Shares (whether through the giving of voting instructions or as a proxy or otherwise); or
- b. dispose or to influence (or restrain) the disposal of Shares, including inter alia the legal or beneficial ownership of a Share and an interest under an option agreement to acquire a Share, and irrespective of whether that power or influence is direct or Indirect;

(xv) "**Share**" means a Share in the capital of the Company;

(xvi) "**Shareholder**" means a holder of Shares;

(xvii) "**Subsidiary Company**" means of a Person, one or more companies over which Control is exercised by such Person;

(xviii) "**Substantial Holder**" means a Person who has a Substantial Holding;

(xix) A Person has a "**Substantial Holding**" in the Company if the total votes attached to Shares in which they or their Associates:

- a. directly or Indirectly have a Relevant Interest; or
- b. would directly or Indirectly have a Relevant Interest but for the operation of Article 232(h) or Article 232(h), is 5% or more of the total number of votes attached to all Shares;

(xx) "**Takeover Bid**" means a bid for Shares that at all relevant times fulfils the purposes set out in Article 232(b) and complies with the principles contained in Article 232(x);

(xxi) "**Voting Power**" means a Person's voting power in the Company that is calculated in accordance with the following formula:

$$\frac{\text{Person's and associates' votes}}{\text{Total votes in the Company}} \times 100$$

where:

"**Person's and associates' votes**" is the total number of votes attached to all the Shares (if any) in which that Person or an Associate directly or Indirectly has a Relevant Interest in; and

"**Total votes in the Company**" is the total number of votes attached to all Shares.



- (b) The purpose of this Article 232 is to ensure that:
  - (i) the acquisition of Control over Shares takes place in an efficient, competitive and informed market; and
  - (ii) each Shareholder as well as the Company and the Board:
    - a. knows the identity of any Person who proposes to acquire a Substantial Holding in the Company; and
    - b. is given reasonable time to consider a proposal to acquire a Substantial Holding in the Company; and
    - c. is given enough information to assess the merits of a proposal to acquire a Substantial Holding in the Company; and
  - (iii) as far as practicable, the Shareholders all have a reasonable and equal opportunity to participate in any benefits accruing to the Shareholders through any proposal under which a Person would acquire a Substantial Holding in the Company.
- (c) In the interpretation of this Article, a construction that would promote the purpose or object underlying these Articles is to be preferred to a construction that would not promote that purpose or object.
- (d) Subject to the exceptions outlined at Article 232(j), a Person must not acquire a Relevant Interest if, because of that acquisition, that Person's or someone else's Voting Power in the Company increases:
  - (i) from twenty percent (20%) or below to more than twenty percent (20%); or
  - (ii) from a starting point that is above twenty percent (20%) and below ninety percent (90%).
- (e) Any holding of a Share or acquisition of a Relevant Interest in breach of Article 232(d) does not cause such acquisition or holding to be invalid.
- (f) A Person holding or acquiring a Relevant Interest shall, together with his Affiliated Companies, be considered as one Person in respect of such Relevant Interest or exercise of Voting Power, and each of them, to the extent that they hold one or more Shares shall be jointly and severally liable for each other's obligations under these Articles. In addition, there may be imposed on each of them the other remedies referred to in Article 232(p).
- (g) If one or more Persons pursuant to an agreement or a nominee or trustee arrangement act together for the purpose of:
  - (i) holding or acquiring a Relevant Interest; or
  - (ii) exercising its Voting Power at a general meeting; or

(iii) circumventing the prohibition as referred to in Article 232(d) or the obligations in Article 232(k) to 232(m) or 232(cc),

all of them shall be considered as one Person in respect of such Relevant Interest, the exercise of Voting Power or the circumvention of the prohibition or obligation. Each of them, to the extent that they hold one or more Shares shall be jointly and severally liable for each other's obligations under these Articles. In addition, there may be imposed on each of them the other remedies referred to in Article 232(p).

(h) A Person does not have a Relevant Interest, if the Relevant Interest arises merely because:

(i) of a mortgage, charge or other security interest taken for the purpose of a transaction entered into by the Person if:

- a. the mortgage, charge or security interest is taken or acquired in the ordinary course of the Person's business of providing financial services and on ordinary commercial terms; and
- b. the Person whose property is subject to the charge or security is not an Associate of the Person;

(ii) that Person acquires a Relevant Interest solely as a nominee or trustee for a Person who may direct the nominee or trustee as to the exercise of any power relating to the Relevant Interest;

(iii) that Person is a person licensed to conduct a financial services business and holds Shares on behalf of someone else in the ordinary course of that financial services business;

(iv) the Company has entered into an agreement to buy back the Person's Shares;

(v) the Person has been appointed to vote as a proxy or representative on Shares if:

- a. the appointment is for one meeting of the Company only; and
- b. neither the Person nor any Associate gives valuable consideration for such appointment;

(vi) of:

- a. a market traded option (as that term is defined in the Corporations Act) over the Shares; or
- b. a right to acquire a Relevant Interest given by a (futures) agreement, (this clause (f)(vi) stops applying to any Relevant Interest when the obligation to make or take delivery of the Shares arises);

(vii) of an agreement if the agreement:



- a. is conditional on a resolution referred to in Article 232(j)(v); and
  - b. does not confer any control over, or power to substantially influence, the exercise of Voting Power attached to the Shares; and
  - c. does not restrict the disposal of the Shares for more than three (3) months from the date when the agreement was entered into;
- (viii) these Articles or other applicable law gives all Shareholders pre-emptive rights on the transfer of Shares provided that all Shareholders of the Company have pre-emptive rights on the same terms;
- (ix) the Person is a director of a legal entity having a Relevant Interest; or
- (x) that Person holds Shares as a custodian or depository in order to enable the Shares of the Company to be traded on a stock market of a securities exchange, provided such Person is licensed to provide such custodian or depository services under the applicable law.
- (i) When a Person's Relevant Interest in a Share is disregarded pursuant to Article 232(h), the Person shall for the purposes of Article 232(d) be taken not to be entitled to exercise, directly or indirectly, its Voting Power.
- (j) The prohibition as referred to in Article 232(d) shall not apply to the extent that:
  - (i) the holding or acquisition of a Relevant Interest results from the acceptance of offers under a Takeover Bid;
  - (ii) the holding or acquisition of a Relevant Interest is the result of an On Market Transaction if:
    - a. the acquisition is by or on behalf of the bidder under a Takeover Bid; and
    - b. the acquisition occurs during the bid period in respect of the Takeover Bid; and
    - c. the Takeover Bid is for all the Bid Securities; and
    - d. the Takeover Bid is unconditional;
  - (iii) the holding or acquisition of a Relevant Interest arises in the following circumstances:
    - a. throughout the six (6) months before the acquisition a Person has had Voting Power in the Company of at least nineteen percent (19%); and
    - b. as a result of the acquisition, directly, or Indirectly, the Person would have Voting Power in the Company that is not more than three (3) percentage points higher than they had six (6) months before the acquisition;
  - (iv) the holding or acquisition of a Relevant Interest:

- a. is consistent with the purposes set out at Article 232(b); and
  - i. conforms to the principles in Article 232(x) as they apply to the acquisition or holding, adjusting those principles as appropriate to meet the particular circumstances of the acquisition or holding but without derogating from the purposes in Article 232(b); and
  - ii. has received the prior written approval of the Board;

(v) the holding or acquisition of a Relevant Interest has been approved previously by a general meeting of the Company if:

- a. no votes are cast in favour of the resolution by:
  - i. the Person proposing to make the acquisition and its Associates; or
  - ii. the Person (if any) from whom the acquisition is to be made and its Associates; and
- b. the Shareholders were given all information known to the Person proposing to make the acquisition or its Associates, or known to the Company, that was material to the decision on how to vote on the resolution, including:
  - i. the identity of the Person proposing to make the acquisition and the identities of its Associates; and
  - ii. the maximum extent of the increase in that Person's Relevant Interest in the Company that would result from the acquisition; and
  - iii. the Relevant Interest that Person would have as a result of the acquisition; and
  - iv. the maximum extent of the increase in the Relevant Interest of each of that Person's Associates that would result from the acquisition; and
  - v. the Relevant Interest that each of that Person's Associates would have as a result of the acquisition;

(vi) the holding or acquisition of a Relevant Interest results from the acceptance of offers made by the Company for the securities of another body corporate listed on the stock market of a securities exchange, which offers are made in accordance with applicable securities law regulating the conduct of takeovers of bodies corporate of that kind, where Shares or securities convertible into Shares are included in the consideration for the acquisition of securities under those offers;

(vii) the holding or acquisition of a Relevant Interest results from the exercise of rights of conversion attaching to securities convertible into Shares issued in accordance with Article 232(j)(vi);

(viii) the holding or acquisition of a Relevant Interest results from an issue by the Company under a prospectus to a Person as underwriter or sub-underwriter to the issue where the prospectus disclosed the effect or range of possible effects that the issue would have on the number of Shares in which that Person would



which that Person would have a Relevant Interest and on the Voting Power of that Person;

- (ix) the holding or acquisition of the Relevant Interest results from the exercise by a Person of a power, or appointment as a receiver, or receiver and manager, under a mortgage, charge or other security interest if:
  - a. the Person's ordinary business includes the provision of financial accommodation by any means; and
  - b. the Person took or acquired the security in the ordinary course of business of the provision of financial accommodation by any means and on ordinary commercial terms;
- (x) the holding or acquisition of the Relevant Interest results from a compromise, arrangement or amalgamation pursuant to the Corporations Act;
- (xi) the holding or acquisition of a Relevant Interest results from a buy-back that is authorised under the Corporations Act; or
- (xii) the holding or acquisition of a Relevant Interest results from an issue that satisfies all of the following conditions:
  - a. the Company offers to issue Shares to a particular class;
  - b. offers are made to every person who holds Shares in that class to issue them with the percentage of Shares to be issued that is the same as the percentage of the Shares in that class that they hold before the issue;
  - c. all of those persons have a reasonable opportunity to accept the offers made to them;
  - d. agreements to issue are not entered into until a specified time for acceptance of offers has closed; and
  - e. the terms of all the offers are the same.

This Article 232(j)(xii) includes the holding or acquisition of a Relevant Interest by a Person as an underwriter to the issue or a sub-underwriter. This exception will apply even if the conditions set out above are not satisfied in respect of Foreign Holders of Shares if, under the terms of the offers:

- a. the Company must appoint a nominee (being a person that holds a financial services license permitting them to act as a nominee to sell Shares on behalf of, and distribute the proceeds to, the Foreign Holders) for Foreign Holders of Shares;
- b. the Company must transfer to that nominee:
  - i. the Shares that would otherwise be issued to the Foreign Holders who accept the offer; or
  - ii. the right to acquire those Shares; and

c. the nominee must sell those Shares, or those rights, and distribute to each of those Foreign Holders their proportion of the proceeds of the sale net of expenses.

- (k) A Person must give the information referred to in Article 232(l) to the Company and to the ASX if:
- (i) that Person and its Associates begins to have, or ceases to have, a Substantial Holding in the Company; or
  - (ii) that Person has a Substantial Holding in the Company and there is a movement of at least one percent (1%) in their holding; or
  - (iii) that Person makes a Takeover Bid for securities of the Company.

For the purposes of Article 232(k)(ii), there is a movement of at least one percent (1%) in a Person's holding of Shares if the Person's Voting Power increases or decreases by one (1) or more percentage point from the percentage they last disclosed under this Article 232(k) in relation to the Company.

- (l) The information to be given in accordance with Article 232(k) includes:
- (i) the Person's name and address;
  - (ii) details of their Relevant Interest in Shares;
  - (iii) details of any relevant agreement through which the Person would have a Relevant Interest in Shares in the Company;
    - a. the name of each Associate who has a Relevant Interest in Shares in the Company, together with details of the nature of the Person's association with the Associate;
    - b. the Relevant Interest of the Associate; and
    - c. any relevant agreement through which the Associate has the Relevant Interest;
  - (iv) if the information is being given because of a movement in their holding - the size and date of that movement; and
  - (v) any other information that the Person or Company may deem relevant.
- (m) The information referred to in Article 232(l) must be given in the form prescribed by the Company (if the Company has prescribed a form) and must be accompanied by:



- (i) a copy of any document including any relevant agreement (endorsed with a statement that the copy is a true copy) that:
  - a. contributed to the situation giving rise to the Shareholder needing to provide the information; and
  - b. is in writing and readily available to the Substantial Holder or Shareholder; or
- (ii) a statement by the Substantial Holder or Shareholder giving full and accurate details of any contract, scheme or arrangement that:
  - a. contributed to the situation giving rise to the Shareholder needing to provide the information; and
  - b. is not both in writing and readily available to the Substantial Holder or Shareholder.
- (n) The information referred to in Article 232(l) does not need to be accompanied by the documents referred to in Article 232(m) if the transaction that gives rise to the Shareholder needing to provide the information takes place on the ASX.
- (o) The Shareholder must give the information referred to in Articles 232(l) and 232(m):
  - (i) within two (2) Business Days after the Shareholder becomes aware of the circumstances referred to in Articles 232(k)(i) or Article 232(k)(ii); or
  - (ii) by nine-thirty (9.30am) WST on the next trading day of the ASX after the Shareholder becomes aware of the circumstances referred to in Article 232(k)(iii).
- (p) Subject to Articles 232(q) and 232(r), if a breach by a Person of the provisions of Article 232(d), 232(k) to 232(m), and/or 232(cc) has occurred or is continuing, the Board may cause the Company to exercise any one or more of the following remedies:
  - (i) require, by notice in writing, the Shareholder to dispose all or part of the Shares so held in breach of Article 232(d), 232(k) and/or 232(cc) within the time specified in the notice;
  - (ii) disregard the exercise by such Person of all or part of its Voting Power; or
  - (iii) suspend such Person from the right to receive all or part of the dividends or other distributions arising from the Shares so held in breach of Article 232(d), 232(k) and/or 232(cc).
- (q) The Company may exercise the remedies referred to in Article 232(p) if it first obtains a judgment from a court of competent jurisdiction in the state of Western Australia, that a breach of the prohibition of Article 232(d) or the obligation in Articles 232(k) or 232(cc) has occurred and is continuing, and the Company acts in

Company acts in accordance with such judgment.

- (r) Subject to any necessary approvals, consents or waivers required under the ASX Listing Rules, where the Company is seeking but has not received a judgement under Article 232(q), the Company may also exercise any of the remedies described in Article 232(p) (other than that as described under (i)) by notice in writing to the Shareholder but so that they have effect for the period commencing on the date the notice is given and ending on the earlier of:
  - (i) twenty one (21) days after the notice has been given; and
  - (ii) one (1) day after the judgment under Article 232(q) has been given to the Company.
- (s) If there are reasonable grounds to believe that a breach of Article 232(d), 232(k) and/or 232(cc) has occurred, the Board must consider whether to exercise the remedies under Article 232(p) and take advice as to whether it should exercise those remedies. For that purpose, the Board must give proper consideration to (and include within any brief for advice) any submission that a breach has occurred from any Shareholders or any other interested Person or officer of the Company aggrieved by the alleged breach.
- (t) If the requirements of any notice pursuant to Article 232(p)(i) are not complied with by the Person within the time specified in the notice, the Company may, as an irrevocable proxy of the Shareholder, without any further instrument, cause the Shares referred to in the notice to be sold on any relevant securities exchange on which they are quoted. In such circumstances, the Company may:
  - (i) authorise in writing any officer, employee or agent of the Company or any officer or employee of the secretary of the Company to transfer the applicable Shares on behalf of the holder of them to the purchaser or purchasers. An instrument of transfer executed by that person will be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the applicable Shares.
  - (ii) acknowledge the transfer despite the fact that the Share certificates (if any) may not have been delivered to the Company;
  - (iii) issue a new Share certificate (if required) in which event the previous certificate(s) (if any) are deemed to have been cancelled;
  - (iv) If the Person does not deliver the relevant Share certificates (if any) to the Company, the Company may sue the Person in detinue for recovery of the Share certificates (if any), and the Person is not entitled to deny or dispute the Company's ownership and right to possession of any Share certificate in any legal action.



(v) The net proceeds of the sale of the applicable Share will be received by the Company (whose receipt will be a good discharge for the purchase moneys), and will belong to the Company. Upon:

- a. receipt of the net proceeds; and
- b. surrender of the certificate for the applicable Shares by the former holder, in the case of certificated Shares (which the former holder shall be obliged to immediately deliver to the Company),

the Company will become indebted to the former holder of the applicable Shares for an amount equal to the net proceeds of the transfer less the costs and expenses incurred by the Company in enforcing such sale.

(u) The Company may, by notice in writing, at any time require any Shareholder to provide the Company with any information or evidence (on oath or otherwise verified if the Company reasonably requires) as the Company may consider likely to be of assistance in determining whether or not that Person is eligible to remain a Shareholder with respect to all his Shares.

(v) Despite anything in Articles 232(t) and 232(u), the Company has no liability to any person arising from any Person holding Shares in circumstances which would result in or have the effect of causing an infringement or contravention of Article 232(d), 232(k) and/or 232(cc).

(w) Neither the Company, nor the Board, will have any liability whatsoever to any person arising from any action taken by the Company under the Articles 232(p), 232(q), 232(r), 232(s), 232(t) and/or 232(u), provided that such action was taken in good faith.

(x) In addition to fulfilling the purposes in Article 232(b), a Takeover Bid must comply with the following principles:

(i) An offer for Bid Securities must be an offer to buy all of the securities in the same class as the Bid Securities or a specified proportion of the securities in the same class as the Bid Securities. The proportion specified must be the same for all holders of the Bid Securities.

(ii) A Person who holds one (1) or more parcels of those securities as trustee or nominee for, or otherwise on account of, another Person may accept the offer as if a separate offer had been made in relation to:

- a. each of those parcels; and
- b. any parcel they hold in its own right;

(iii) All the offers made must be the same. In applying this Article 232(x), the following shall be disregarded:

- a. any differences in the offers attributable to the fact that the number of Bid Securities that may be acquired under each offer is limited by the number of Bid Securities held by the holder;
- b. any differences in the offers attributable to the fact that the offers relate to Bid Securities having different accrued dividend or distribution entitlements;
- c. any differences in the offers attributable to the fact that the offers relate to Bid Securities on which different amounts are paid up or remain unpaid;
- d. any differences in the offers attributable to the fact that the Person making the offer may issue or transfer only whole numbers of securities as consideration for the acquisition; and
- e. any additional cash amount offered to holders instead of the fraction of a security that would otherwise be offered.

However, if the consideration offered under the Takeover Bid includes an offer of securities, the securities do not need to be offered to Foreign Holders of Shares if under the terms of the Takeover Bid:

- a. the offeror under the Takeover Bid must appoint a nominee (being a person that holds a financial services license permitting them to act as a nominee to sell Shares on behalf of, and distribute the proceeds to, the Foreign Holders) for Foreign Holders of Shares who is approved by the Company (such approval not to be unreasonably withheld or delayed);
- b. the offeror under the Takeover Bid must transfer to that nominee:
  - i. the securities that would otherwise be transferred to the Foreign Holders who accept the Takeover Bid for that consideration; or
  - ii. the right to acquire those securities; and
- c. the nominee must sell the securities, or those rights, and distribute to each of those Foreign Holders their proportion of the proceeds of the sale net of expenses.

(iv) The consideration offered for Bid Securities must equal or exceed the maximum consideration that the Person making the offer (or any of its Associates) directly or indirectly provided, or agreed to provide, for Shares under any purchase or agreement during the four (4) months before the first day of the period of the offer.

(v) A Person making an offer for Bid Securities must not directly or Indirectly, during the period of the offer, give, offer to give or agree to give a benefit to a Person if:

- a. the benefit is likely to induce the Person directly or Indirectly to:
  - i. accept the offer; or
  - ii. dispose of Shares; and
- b. the benefit is not offered to all holders of Bid Securities.



(vi) The period of the offer must:

- a. start on the date the first offer is made; and
- b. last for at least one (1) month, and not more than twelve (12) months.

(vii) If, within the last seven (7) days of the period of the offer:

- a. the offers are varied to improve the consideration offered (including by offering an alternative form of consideration); or
- b. the number of Shares in which the Person making the offer directly or Indirectly holds a Relevant Interest, or both, increases to more than fifty percent (50%) of the issued and outstanding Share capital of the Company, the period of the offer is extended so that it ends fourteen (14) days after the event referred to in paragraph (i) or shall be automatically (ii) above.

(viii) Offers must not be subject to a maximum acceptance condition. A maximum acceptance condition is one that provides that the offers will terminate, or the maximum consideration offered will be reduced, if effectively one or more of the following occurs:

- a. the number of Bid Securities for which the Person making the offer receives acceptances reaches or exceeds a particular number; or
- b. the number of Shares in which the Person making the offer directly or Indirectly holds a Relevant Interest, or both, reaches or exceeds a particular percentage of the issued and outstanding Share capital of the Company; or
- c. the percentage of Bid Securities the Person making the offer has a Relevant Interest in reaches or exceeds a particular percentage of Bid Securities in that class.

(ix) Offers must not be subject to a discriminatory condition. A discriminatory condition is a condition that allows the Person making the offer to acquire, or may result in that Person acquiring, Bid Securities from some but not all of the people who accept the offers.

(x) Offers must not be subject to a condition if the fulfilment of the condition depends on:

- a. the opinion, belief or other state of mind of the Person making the offer or an Affiliated Company; or
- b. the happening of an event that is within the sole control of, or is a direct result of action by, any of the following:
  - i. the Person making the offer (acting alone or together with an Associate); or
  - ii. an Associate (acting alone or together with the Person making the offer or another Associate of that Person).

(xi) The Person making the offer may only vary the offer made by:

- a. improving the consideration offered (including by offering an additional form of consideration); or
- b. extending the period of the offer.

(xii) The terms of unaccepted offers must be varied in the same way. Any person who has already accepted an offer must be entitled to the improved consideration and, in the case of an addition of a new form of consideration, be entitled to make a fresh election.

(xiii) A Person making an offer that is unconditional may extend the period of the offer at any time before the end of the offer. A Person making an offer that is still subject to conditions may only extend the period of the offer at least seven (7) days before the end of the period of the offer unless during that seven (7) day period another Person announces a bid for Bid Securities or improves the consideration offered under another bid for Bid Securities.

(xiv) Each offer must be in writing and have the same date. This date is the day the first offer is made.

(xv) The Person making the offer must, at the same time it gives its offer to holders of Bid Securities, also give a document to those holders setting out:

- a. all information known to the Person that is material to the making of the decision by a holder of Bid Securities whether or not to accept the offer; and
- b. any areas in which the disclosure provided with its offer departs from the disclosure which would have otherwise been required to be provided to holders of Bid Securities if the Takeover Bid was a Corporations Act Bid.

(xvi) The document referred to in Article 232(x)(xv) must be given to the Company and the ASX at least fourteen (14) days before it is given to these holders and must be dated. The date is the date on which the document is given to the ASX. If the Person making the offer becomes aware of:

- a. a misleading or deceptive statement in the document; or
- b. an omission from the document of information required by Articles 232(k) or this Article 232(x); or
- c. a new circumstance that:
  - i. has arisen since the document was given to the Company; and
  - ii. would have been required by Article 232(k) or this Article 232(x) to be included in the document if it had arisen before the document was given to the Company,

that is material from the point of view of a holder of Bid Securities, the Person making the offer must prepare a supplementary document that remedies this defect. The Person making the offer must give the



supplementary document to the Company and give a copy with the ASX. The supplementary document must be dated. The date is the date on which the supplementary document is given to the ASX.

(y) A bid for Shares is taken to comply with the principles in Article 232(x) if it is a Corporations Act Bid at all relevant times. The Board must act reasonably and in a timely manner in agreeing with a Person making a Corporations Act Bid to any modifications or exemptions to the application of Parts 6.4, 6.5, 6.6 and 6.8 of the Corporations Act to a Corporations Act Bid having regard to the purposes in Article 232(b), the principles in Article 232(x) and to Australian Law and Policy.

(z) If a Takeover Bid is made, the Company must:

(i) give to all holders of Bid Securities, the ASX and the Person making the Takeover Bid a document in a timely manner setting out all information that the Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept an offer under the Takeover Bid. The document must contain information:

- a. only to the extent to which it is reasonable for investors and their professional advisers to expect to see the information in the document; and
- b. only if the information is known to the Company; and the document must also contain a statement by each member of the Board;
- c. recommending that offers under the Takeover Bid be accepted or not accepted, and giving reasons for the recommendation; or
- d. giving reasons why a recommendation is not made.

The document must be dated. The date is the date on which the document is given to the ASX.

(ii) If the Company becomes aware of:

- a. a misleading or deceptive statement in the document; or
- b. an omission from the document of information required by paragraph (i) above; or
- c. a new circumstance that:
  - i. has arisen since the document was given to the Person making the offer; and
  - ii. would have been required by paragraph (i) above to be included if it had arisen before the document was given to the Person making the offer,

that is material from the point of view of a holder of Bid Securities, the Company must prepare a supplementary document that remedies this defect and give it to the Person making the offer and the ASX. The supplementary document must be dated. The date is the date on which the supplementary

supplementary document is given to the ASX.

(iii) If it has been given a document in accordance with Article 232(x)(xvi) and the Person making the offer makes a request for information under this Article 232(z)(iii) for the purposes of fulfilling the purposes under Article 232(b) and complying with the principles under Article 232(x), the Company must inform the Person of the name and address of each Person who held Bid Securities and that Person's holding, at the specified time by the Person making the Offer. The Company must give the information to the Person making the offer in a timely manner and:

- a. in the form that the Person requests; or
- b. if the Company is unable to comply with the request - in writing.

(iv) If the Company must give the information specified in this Article to the Person in electronic form, the information must be readable but the information need not be formatted for the preferred operating system of the Person making the offer.

(aa) The Company may charge a fee in relation to the provision of the register referred to in Article 232(z)(iii) above.

(bb) So long as Shares are quoted on the ASX, if the Company becomes subject to the law of any jurisdiction which applies so as to regulate the acquisition of Control, and the conduct of any Takeover Bid, of the Company, the Company shall consult promptly with the ASX to determine whether, in the light of the application of such law:

(i) the ASX requires amendment to this Article 232 in order for these Articles to comply with the Listing Rules as then in force; or

(ii) any waiver of the Listing Rules permitting the inclusion of all or part of these Articles has ceased to have effect.

(cc) The Company may, by giving notice in writing, require a Shareholder to give to the Company, within two (2) Business Days after receiving the notice, a statement in writing setting out:

(i) full details of the Shareholder's Relevant Interest and of the circumstances giving rise to that Relevant Interest; and

(ii) the name and address of each other Person who has a Relevant Interest together with full details of:

- a. the nature and extent of the Relevant Interest; and
- b. the circumstances that give rise to the Person's Relevant Interest; and

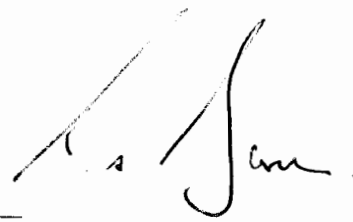
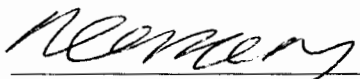


(iii) the name and address of each Person who has given the Shareholder or the Person as referred to in paragraph (2) above instructions about:

- a. the acquisition or disposal of a Relevant Interest; or
- b. the exercise of any Voting Power or other rights attached to a Relevant Interest;
- c. any other matter relating to a Relevant Interest, together with full details of those instructions (including the date or dates on which those relevant instructions were given).

(dd) A matter referred to in Article 232(cc)(ii) or (iii) need only be disclosed to the extent to which it is known to the Person making the disclosure.

(ee) Where a statement is delivered to the Company containing any details as referred to in Article 232(cc)(ii) or (iii), the Company may, by giving notice in writing, require a Shareholder to give to the Company to procure that any other Persons as referred to in Article 232(cc)(ii) or (iii) to give to the Company, within two (2) days after receiving the notice, a statement in writing setting out the details as referred to in Article 232(cc)(i) and/or (iii) above.



Federal Trust Company Limited  
Company Secretary

Dated: 21<sup>st</sup> February 2011