

THE COMPANIES ACT NO. 12 OF 2002

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

LAKE GAS LIMITED

Incorporated the \_\_\_\_\_ day of \_\_\_\_\_ 2011

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THE COMPANIES ACT NO. 12 OF 2002

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

LAKE GAS LIMITED

The name of the company "LAKE GAS LIMITED"

1. The Registered office the company will be situated in Tanzania.
2. The objects for which the company is established are:-
  - (a) To carry out the business of importation, filling and distribution of the Liquefied Petroleum Gas (LP Gas) in and outside the country;
  - (b) To engage agents sub - agents, dealers and or distributors of LP Gas and supply them with the gas with a view of making the product available to may Tanzanians;
  - (c) To construct and own tanks and filling plants of LP Gas and or enter into contract with any person owning a filling plant of the LP Gas for the purpose of filling the LP Gas into the cylinders;
  - (d) To purchase, take or lease the LP Gas tanks for transporting or own trucks and lorries transporting the ready filled gas into cylinders to the intended market;
  - (e) To sell and or establish the sales centres, stations and or posts of the LP Gas to the consumers;
  - (f) To carry out studies on the benefits of using LP Gas to environmental conservation and educate the community of the importance of using gas in their home cooking and various other activities;
  - (g) To buy gas cylinders of various sizes, fill them with LP Gas and distribute to the consumers and or agents to deliver to the market;
  - (h) To lay pipes, conduit pipes and or distribution networks for the purpose of distribution of LP Gas to various centres, stations, to dealers and or to consumers;
  - (i) To comply with any law governing importation, filling and distribution LP Gas in Tanzania and the world;

- (j) To purchase, take or lease in exchange, hire or otherwise acquire and hold any stake or interest in any land, buildings, easements, rights, licenses secret processes, machinery, stock, in trade and real or personal property of any kind.
- (k) To accept payment for any property or rights sold or otherwise disposed or dealt with by the company either in cash, by installment or otherwise or in fully or partly paid up shares of the company or corporation, with or without deferred or preferred or guaranteed rights.
- (l) To carryout any other trade or business whatsoever which can in the opinion of the board of directors be advantageously carried on by the company in connection with the above business or the general business of the company.
- (m) To do all or any of the above things in any part of the world and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others and either or through agents, sub-contractors, trustees and otherwise.
- (n) To remunerate any person, firm or company rendering services to this company, whether by cash payments or by allotment to him or them of shares or securities of the company credited and paid in full or in part, otherwise.
- (o) To lend money on any terms that may be though fit, and particularly to customers or other persons or corporations having dealing with societies and to give any guarantees that may be expedient.
- (p) To advance money to shareholders in the company, and other to the purpose of enabling the person borrowing the same erect or purchase, or enlarge or repair any house or building or to purchase the fee simple or any less estate or interest in, or to take a demise for any term or terms of years of any freehold or leasehold property upon such terms and conditions as the company may thing fit.
- (q) To do business with any Financial Institutions by carrying out transaction of bond, loan, grant, borrowing money and or taking overdraft, credit or letter of credit to facilitate any other transaction, which money may be sourced either locally or internationally.
- (r) To do business of buying and selling new, used or reconditioned car, motor vehicles, motorcycles or any other machines which used lubricants.

- (s) To invest and deal with the moneys of the company not immediately required, upon such securities and in such manner as may from time to time be determined.
- (t) To distribute among the members in pieces any property of the company, or any proceeds of sale or disposal of any property of the company.
- (u) To draw, make, accept, endorse, discount execute and issue promissory notes, bills of lading, warrants, debentures and negotiable or transferable instruments.
- (v) To act as agents or brokers, and as trustees for any person, firm or company, and to undertake and perform sub-contracts and also to act in any other business of the company through or by means of agents, brokers, subcontractors or others.
- (w) To obtain any provisional order, Act or Act of Parliament of enabling the company to carry any of it is objects into effect, or for affecting any modification of the company's constitution, or any other purpose which may seem expedient, and to oppose any proceedings, or applications which may seem calculated, directly or indirectly to prejudice the company's interest.
- (x) To take otherwise and hold shares in any other company having objects altogether or in part similar to this company, or carrying on any business capable of being conducted so as directly or indirectly to benefit the company.
- (y) To do all other things as may be deemed incidental or conducive to the attainment of the objects of the company or any of them.

And it is hereby declared that:-

The word "Company" in this clause, except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether corporate or incorporated, and whether domiciled in the United Republic of Tanzania or elsewhere.

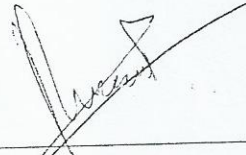

The object specified in each of the paragraphs of the paragraph of this clause shall be regarded as independent objects, and accordingly shall in no way be limited or restricted (except where otherwise expressed in such paragraphs) by reference to or inference from the terms of any other paragraph of the name of the company but may be carried out in as full ample a manner and construed in as wide a sense as if each of the said paragraph define the objects of the separate and district compound.

That the meaning of any general word or words in any paragraph of this clause shall not be restricted by being construed ejusdem generis with any particular word or words in the same paragraph.

3. The Liability of the members is limited.
4. The nominal share capital of the company is Tanzanian Shillings 1,000,000,000/= divided into 2,000,000 shares of Shillings 500/= each.

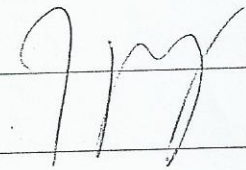
The company shall have powers to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges, or conditions as may be determined by or in accordance with the Articles of Association of the company.

We, the several persons whose names and addresses 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 to our respective names.

Names, Addresses, and Description of Subscribers.	Number of shares taken by each Subscriber	Signature
1. Ally Edha Awadh, P.O. Box 40679, Dar es Salaam.	1,990,000	
2. Aluwy Mohamed Amar, P.O.Box 40679, Dar es Salaam.	10,000	

Dated at Dar es Salaam this 10<sup>th</sup> day of March 2011

Witness to the above signatures

Name : \_\_\_\_\_  
 Signature : \_\_\_\_\_   
 Postal Address : \_\_\_\_\_  
 \_\_\_\_\_  
 Qualification : \_\_\_\_\_



THE COMPANIES ACT NO. 12 OF 2002

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

LAKE GAS LIMITED

PRELIMINARY

1. In these regulations:-

"The Act" means the Companies Act No. 12 of 2002 of the Laws of Tanzania.

When any provision of the Act is referred to, the references in that provision are as modified by any law for the time being in force.

Unless the context otherwise requires, the expressions defined in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company, shall have the meaning so defined.

Any words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include females, and the words importing persons shall include bodies corporate, partnership, firms, cooperatives, societies, etc.

The regulations contained in Part 1 of Table "A" in the schedule to the Companies Act (hereinafter called Table "A") shall apply to the company, save for regulation 22 and in so far as they are varied or excluded hereby, but in case of any conflict between the provisions herein, and the provisions under Table "A" the former shall prevail, and in addition to substitution shall be the regulations of the company.

PRIVATE COMPANY

2. The company is a private company and accordingly:-

(a) the right to transfer shares is restricted in the manner hereinafter prescribed;

(b) the number of members of the company is limited to fifty, provided that where two or more persons hold one or more shares in the company

jointly they shall for the purpose of this regulation be treated as a single member;

- (c) any invitation to the public to subscribe for any shares or debenture of the public is prohibited;
- (d) the company shall not have power to issue share warrants to bearer.

#### TRANSFER OF SHARES

- 3. The Directors may, in their absolute discretion and without assigning any reasons thereof, refuse to register any transfer of any share to any person who, it shall, in their opinion, be undesirable for any reason whatsoever to admit to membership, whether or not it is a fully paid share.
- 4. Subject to clauses 2 and 3 hereof the right of members to transfer their shares shall be restricted as follows;
  - (a) No share shall be transferred to a person who is not a member so long as any member of any person selected by the directors as one whom it is desirable in the interest of the company to admit to membership.
  - (b) Every shareholder or trustee in bankruptcy, or any person who may desire to sell or transfer any such shares and every personal representatives of a deceased shareholder shall give notice in writing to the directors that he desires to make such sale or transfer. Such notice shall constitute the Board of directors of the company as his agent for the sale of the said shares to any member or members of the company at the price to be agreed upon between the party giving such notice the party and the board, or in case of difference to be determined by the Auditor of the Company.
  - (c) Upon price of such shares being agreed on a determined as per clause (b) above, the board shall forthwith give notice to such of the shareholders other than the shareholders desiring to sell or transfer the said shares, stating the number and price of such share inviting the person to whom notice is sent to state within 21 days from the date of such notice whether he is willing to purchase any, if so what maximum number of such shares. At the expiration of such, days 21 notice the board shall apportion such shares amongst the shareholders (if more than one) who shall have expressed their desire to purchase number of shares already held by them respectively, or if there be only one such shareholder, that the whole of such share shall be sold to him, provided

no shareholder shall be obliged to take more than the maximum number of such shares stated in his answer to the said notice.

- (d) Upon such apportionment being made or such one shareholder notifying his intention to purchase, at the case may be, the party desiring to sell or transfer such shares shall be bound upon payment of the said price to transfer the shares to the respective shareholders or to single shareholder who shall have agreed to purchase the same.

5. GENERAL MEETINGS: NOTICE OF GENERAL MEETING AND PROCEEDINGS OF THE GENERAL MEETINGS.

Articles 40 to 68 of Table 'A' shall apply subject to the following variations:-

- (a) a general meeting, ordinary or extraordinary may with the consent in writing of all members, be convened on a shorter notice than seven days or without notice
- (b) two members, present either personally or by proxy shall form a quorum.
- (c) any ordinary resolution of the company determined without any general meeting and evidenced by writing under the hands of majority of the directors and of the members of the company holding three - fourths of the issued shares of the company shall be valid and effectual as an ordinary resolution duly passed at a general meeting of the company.

6. DIRECTORS.

- (a) Until otherwise determined by the company in general meeting the directors shall not be less than two and not more than seven in number.
- (b) The following persons shall be the first directors of the company:-
  - 1. ALLY EDHA AWADH
  - 2. ALUWY MOHAMED AMAR

- 7. The shareholding qualification for directors may be fixed by the company in general meeting, and unless and until so fixed no qualification shall be required.
- 8. The quorum of directors for transacting business shall, unless otherwise fixed by the directors, be two.
- 9. A resolution in writing signed by all the directors then in Tanzania shall be as valid and effectual as if it had been passed at a meeting of directors duly called and constituted.

10. The directors may from time to time borrow or raise money for the purposes of the company which may exceed the issued share capital of the company.

#### BORROWING POWERS

11. The directors may from time to time in their discretion raise or borrow for purpose of any company's business such sum or sums of money as they think fit.
12. The directors may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the company present or future including its uncalled capital for the time being, or by the issue at such price as they may think fit, of bonds or debentures either charged upon the whole or any part of the property and assets of the company or not so charged or in such other way as the directors may think expedient.

#### VOTE OF MEMBERS

13. On a show of hands every member present in person shall have one vote. On a roll very member shall have one vote only for the shares of which he is holder.
14. No member shall be entitled to vote at any general meeting unless all calls or other sums presently by him in respect of shares in the company have been paid.

#### DISQUALIFICATION OF DIRECTORS

15. The office of a director shall be vacated if the director;
  - (a) becomes bankrupt; or
  - (b) is found to be a lunatic or becomes of unsound mind; or
  - (c) resigns his office by notice in writing to the company;
  - (d) abstains himself from meetings of the directors for a period of six months without special leave of absence from the other directors.

#### SEAL

16. The directors shall provide for the safe custody of the Seal. The Seal of the company shall not be affixed to any instrument except by the authority of a resolution of the board of directors and in the presence of a least two directors or a director and Secretary or other person as aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### ALTERNATE DIRECTORS

17. Any director shall have power to nominate any person to act or attend as alternate director during his absence or during his inability so to act. Such

director shall be subject in all respects to the terms and conditions existing with reference to the other directors and such Alternate director shall exercise and discharge all the duties of director whom he represents.

18. Unless otherwise decided by the directors the quorum necessary to transact business of the directors shall be two directors personally present.

#### SECRETARY

19. The secretary shall be appointed by the board for such terms at such remuneration and upon such conditions as it may think fit, and any secretary so appointed may be removed by the board.

#### WINDING UP

20. With the sanction of a special resolution of the shareholders any part of the assets of the company including any shares in other companies may be divided between the members of the company in special or may be vested in Trustees for the benefit of such members and the liquidation of the company may be closed and the company dissolved but so that no member shall be compelled to accept any shares whereupon there is any liability.

#### ALTERNATION OR ADDITION

21. Subject to the provisions of the Act and to those contained in the Memorandum of Association the company may by special resolution make alterations or additions and the alterations or additions so made shall be as valid and effectual as if originally contained in those articles and be subject in like manner to alteration by special resolution.

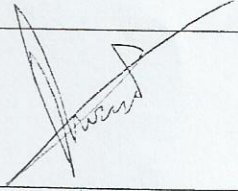
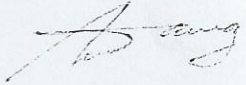
#### INDEMNITY

22. Every director, managing director, agent, auditor, secretary and other officer for the time being of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or is in connection with any application in which relief is granted to him by the Court.

#### ARBITRATION

23. If and whether any dispute or difference shall arise between the company and any of the members or their respective representatives touching upon the construction or meaning of any the Articles herein contained or any act matter or thing made or done or omitted to be done or with regard to the rights or liabilities arising here under or arising out of the relation existing between the parties by reasons of these Articles or the Act, such differences shall (unless a sole arbitrator be agreed upon) forthwith be referred to the arbitration of three (3) arbitrators, one to be appointed by each party and the

third to be appointed by the first two or, in the event of failure to agree within (Cap. 15 R.E. 2002) or any then existing statutory modifications or reenactment thereof shall apply.

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Dated at Dar es Salaam this 10<sup>th</sup> day of March 2011

Witness to the above signatures

Name : \_\_\_\_\_

Signature : \_\_\_\_\_

Postal Address : \_\_\_\_\_

Qualification : \_\_\_\_\_

