
THE COMPANIES ORDINANCE (CAP. 212)

COMPANY LIMITED BY SHARES.

Memorandum

AND

Articles of Association

OF

KAGERA SUGAR LIMITED

TO M DANI

Incorporated this 17th day of July, 1973

The Tanzania Legal Corporation
BANK HOUSE,
Independence Avenue,
P.O. Box 2203,
DAR ES SALAAM.

THE COMPANIES ORDINANCE (CAP. 212)

COMPANY LIMITED BY SHARES.

Memorandum

AND

Articles of Association

OF

KAGERA SUGAR LIMITED

Incorporated this 17th day of July, 1973

The Tanzania Legal Corporation
BANK HOUSE,
Independence Avenue,
P.O. Box 2203,
DAR ES SALAAM.

TANZANIA



Certificate of Incorporation

—
No. 5036
—

I HEREBY CERTIFY THAT

KAGERA SUGAR LIMITED

is this day incorporated under the Companies Ordinance (Cap. 212) and that the Company is Limited.

Given under my hand at Dar es Salaam this 17th day of July, One thousand nine hundred and Seventy-Three.



(Sd) K. KOBELO

Asst. Registrar of Companies

THE COMPANIES ORDINANCE
(CHAPTER 212)

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

KAGERA SUGAR LIMITED

1. The name of the Company is "KAGERA SUGAR LIMITED".
2. The registered office of the Company will be situated in the United Republic of Tanzania.
3. The objects for which the Company is established are:-
 - (a) To carry on business as planters, growers, producers and manufacturers of and dealers in sugar and allied products of every description.
 - (b) To construct, acquire, hire, hold, work, let and sell mills, factories, plants, shops, lands, buildings, machinery and appliances suitable for such planting, growing, producing, manufacturing and dealing.
 - (c) To carry on the business of wholesale and retail dealers in sugar and allied products and the sale of other foods or articles which may be conveniently sold therewith.
 - (d) To carry on the business of fruiterers and green-grocers, bacon factors and merchants, bakers, butchers, meat salesmen, butter factors and salesmen, cheesemongers, corn and flour merchants, cheese factors and agents, dairymen, egg merchants and salesmen, poulterers and general provision merchants, and to buy, sell, manufacture and deal in goods, stores, and consumable articles of all kinds both wholesale and retail, and to transact every kind of agency business.
 - (e) To carry on all or any of the businesses of dairymen, cheese, butter, egg, pork-pie and sausage manufacturers and merchants, bacon curers, poultry and live stock breeders, butchers, bakers, confectioners, refreshment contractors, farmers, grocers and general provision merchants and dealers.

- (f) To sell, breed, import, export, improve, prepare, deal and trade in cattle, pigs, poultry, game, and live and dead stock of every description, milk, cream, butter, cheese, eggs, port-pies, sausages, brawn, potted meats, table delicacies and any other commodities, goods or things.
- (g) To acquire and hold shares, stocks, debentures, debenture stock, scrip, bonds, notes, securities and obligations issued or guaranteed by any company constituted or carrying on business in any part of the world, and funds, loans, securities or obligations of or issued or guaranteed by any government, state or dominion, public body or authority, supreme, municipal, local or otherwise, whether at home or abroad.
- (h) To acquire any such shares, stocks, debentures, debenture stock, scrip, bonds, notes, securities, obligations, funds, or loans by original subscription, tender, purchase, participation in syndicates, exchange or otherwise, and whether or not fully paid up, and to subscribe for the same either conditionally or otherwise, and to guarantee the subscription thereof, and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof, and to vary and transpose from time to time as may be considered expedient any of the Company's investments for the time being.
- (i) To purchase, take on lease, or by any other means acquire, any lands, shops, buildings, offices, foundries, furnaces, factories, mills, works, wharves and any real or personal property or rights whatsoever.
- (j) To build, contract, maintain, alter, enlarge, pull down, remove and replace any shops, buildings, offices, foundries, furnaces, factories, mills, works, walls, wharves, roads, railways, tramways, machinery, engines, fences, banks, dams, sluices or watercourses, and to carry out any other works which may be convenient or necessary in connection with any business or object of the Company.
- (k) To apply for, purchase, take out or otherwise acquire any patents, patent rights, licences, concessions or inventions, copyright or secret objects, and to grant licences to use the same or to sell the same outright or on any terms which may, in the opinion of the Directors, be to the interests of the Company, and to make, subsidise or assist in experiments, investigations and researches.
- (l) To carry on business as carriers by land, sea or air, and as railway and tramway owners, wharfingers, lightermen, warehousemen, ship-owners, transport contractors, builders and owners of aircraft and vessels of all kinds,

locomotives, traction engines, motors, wagons and rolling stock and as shipping agents and forwarders of goods.

- (m) To carry on any other business, whether financial, manufacturing or otherwise, which may seem to the Company capable of being conveniently carried on in connection with any business of the Company or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or assets.
- (n) To acquire and take over the whole or any part of the business, property and liabilities of any company or person carrying on any business which the Company is authorised to carry on, or possessed of any property or assets suitable for the purposes of the Company.
- (o) To pay for any property or assets acquired by the Company either in cash or fully or partly paid shares or by the issue of securities or obligations, or partly in one mode and partly in another and generally on such terms as may be determined.
- (p) To lend money, and to guarantee the performance of the contracts or obligations of any company, firm or person, and the payment and repayment of the capital and principal of, and dividends, interest or premium on, any stock, shares and securities of any company, whether having objects similar to those of the Company or not, and to give all kinds of indemnities.
- (q) To borrow or raise or secure the payment of money by bank overdrafts, by mortgage, or by the issue of debentures or debenture stock, perpetual or otherwise, or in such other manner as the Company shall think fit, and for the purposes aforesaid or for any other lawful purpose to charge all or any of the Company's property or assets, present and future, including its uncalled capital, and collaterally or further to secure any securities of the Company by a trust deed or other assurance.
- (r) To issue and deposit any securities which the Company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities, and also by way of security for the performance of any contracts or obligations of the Company or of its customers or of any other company or person having dealings with the Company, or in whose business or undertaking the Company is interested.
- (s) To receive money on deposit or otherwise without interest thereon.
- (t) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and clubs calculated to benefit the employees or ex-employees of the Company, or any

of its predecessors in business, or of any company which is a subsidiary company of the Company or is allied thereto or associated therewith, or the dependents or connections of such persons, and to grant or provide pensions and allowances, to make or enter into arrangements for the provision of policies of life assurance, pensions or other benefits to or for any Directors or employees of the Company, or any such predecessor of such company as aforesaid, or the relations, connections, or dependents of any such persons, to pay or contribute towards the payment of premiums in respect of any such policies, pensions, or benefits, to establish or support funds, trusts and schemes (including funds, trusts and schemes providing for payment towards insurance) which may be considered or intended to promote such purposes or to benefit any such person or otherwise to advance the interests of the Company or its members.

- (u) To conduct, carry out, or cause or procure to be conducted and carried out any kind of research work calculated to advance any business or activity which the Company is authorised to carry on, or in any way related to or connected with any such business or activity, to institute, promote or undertake any educational work or training which may be thought advantageous to the Company or conducive to the welfare of its employees, to pay or contribute to the expense of such research or educational work or training as aforesaid, to employ or engage persons to conduct and carry on the same, and to subscribe or contribute to the funds of any institution, society or organisation (commercial or otherwise) which undertakes, promotes, conducts or carries out any such research or educational work or training as aforesaid.
- (v) To purchase with a view to closing or re-selling or otherwise dealing with in whole or in part any business or properties which may be deemed likely to injure by competition or otherwise any business or branch of business which the Company is authorised to carry on.
- (w) To enter into any partnership or arrangement in the nature of a partnership, co-operation or union of interests, with any company or person engaged or interested or about to become engaged or interested in the carrying on or conduct of any business which the Company is authorised to carry on or conduct or from which the Company would or might derive any benefit, whether direct or indirect, and to finance, subsidise, make donations to or assist any company or person as may be deemed expedient.
- (x) To establish or promote, or join in the establishment or promotion of, any other company whose objects shall include the taking over of any of the assets and liabilities of the Company or the promotion of which shall be calculated to advance its interests.

- (y) To amalgamate with any other company.
- (z) To sell, lease, grant licences, easements and other rights over or in any other manner to deal with or dispose of the undertaking, property and assets of the Company or any part thereof for such consideration as the Company may think fit, and in particular for shares (fully or partly paid up), debentures, debenture stock, securities or obligations of any other company, whether promoted by the Company for the purpose or not.
- (aa) To take all necessary and proper steps with the authorities, national, local, municipal or otherwise, of any place in which the Company may have interests, and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modification in the constitution of the Company or furthering the interests of its members, and to oppose any steps taken by any other company or person which may be considered likely directly or indirectly to prejudice the interests of the Company or its members.
- (bb) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, debentures or other negotiable or transferable instruments.
- (cc) To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the Press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals, and by granting prizes, rewards and donations.
- (dd) To distribute any of the Company's property or assets among the members in specie.
- (ee) To procure the registration or incorporation of the Company in or under the laws of any place outside the United Republic of Tanzania.
- (ff) To do all or any of the above things in any part of the world, and either as principal, agent, trustee or otherwise, and either alone or in conjunction with others, and by or through agents, sub-contractors, trustees or otherwise.
- (gg) To do all such other things as are incidental or the Company may think conducive to the attainment of the above objects 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 incorporated or not incorporated, and whether domiciled in Tanzania or elsewhere, and that the intention is that each of the objects specified in each paragraph of this clause shall, except where otherwise expressed in such paragraph, be an independent main

object and be in nowise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company.

4. The liability of the members is limited.

5. The share capital of the Company is Shillings fifty two million (Shs.52,000,000/-) divided into fifty two thousand (52,000) ordinary shares of Shillings one thousand (Shs.1,000/-) each. Subject and without prejudice to the rights attached to any class of shares for the time being carrying special rights, the shares of the Company, whether part of the original or any increased capital of the Company, may be issued with any special, qualified, preferred or deferred rights and privileges or conditions as to capital, dividends, rights of voting or other matters, but so that any such rights, privileges or conditions shall not be altered or modified except in accordance with the Articles of Association of the Company for the time being in force.

We, the several persons whose names, addresses and occupations 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.

Names, Postal Addresses and Occupations of Subscribers	Number of Shares taken by each Subscriber	Signatures of Subscribers
GREVAS ISHENGOMA General Manager National Agricultural and Food Corporation P.O.Box 903 DAR ES SALAAM.	ONE	(Sd) G. ISHENGOMA
EVARIST NDEPIMIO MATEMU Ag. Chief Operations Officer National Agricultural and Food Corporation P.O.Box 903 <u>DAR ES SALAAM.</u>	ONE	(Sd) E.N. MATEMU

DATED THIS 17TH DAY OF JULY, 1973

WITNESS TO THE ABOVE SIGNATURES:

M.R.J. Rahim
SENIOR CORPORATION COUNSEL
TANZANIA LEGAL CORPORATION
DAR ES SALAAM.

THE COMPANIES ORDINANCE (CAP.212)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

KAGERA SUGAR LIMITED

PRELIMINARY

1. In these Articles:-

"The Ordinance" means the Companies Ordinance (Cap.212).

"The Seal" means the Common Seal of the Company.

"Secretary" means any person appointed to perform the duties of the Secretary of the Company.

Expressions referring to writing shall unless the contrary intention appears, be construed as including references to printing, lithography and other modes of representing or reproducing words in a visible form.

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Ordinance or any statutory modification thereof in force at the date at which these Articles become binding upon the Company.

2. The Regulations contained in Table A of the First Schedule to the Companies Ordinance (Cap.212) shall not apply to the Company.

3. The Company is a private company and accordingly:-

- (a) the right to transfer shares is restricted in manner hereinafter prescribed;
- (b) the number of members of the Company (exclusive of persons who are in the employment of the Company and of persons who having been formerly in the employment of the Company were while in such employment and have continued after the determination of such employment to be 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 article be treated as a single member.

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

SHARES

4. The share capital of the Company is Shillings fifty two million (Shs.52,000,000/-) divided into fifty two thousand (52,000) Ordinary Shares of Shillings one thousand (Shs.1,000/-) each.
5. Subject to the provisions, if any, in that behalf of the Memorandum of Association, and without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of share capital or otherwise, as the Company may from time to time by special resolution determine, and any preference share may, with the sanction of a special resolution, be issued on the terms that it is, or at the option of the Company is liable, to be redeemed.
- 6.(1) 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 of the class) may be varied with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class.
- (2) In every such separate general meeting the provisions of these Regulations relating to general meetings should mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class, and that any holder of shares of the class present in person or by proxy may demand a poll.
- (3) For the purpose of this Article, 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.
7. Every person whose name is registered as a member in the register of members shall, without payment, be entitled to a certificate under the Seal of the Company

specifying the share or shares held by him and the amount paid up thereon, provided that in respect of a share or shares held jointly by several persons the Company shall not 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.

8. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding one shilling, and on such terms, if any, as to evidence and indemnity, as the directors think fit.

9. No part of the funds of the Company shall directly or indirectly be employed in the purchase of, or in loans upon the security of, the Company's shares, but nothing in this regulation shall prohibit transactions mentioned in the proviso to section 45(1) of the Ordinance.

10. The Company shall be entitled to treat the person whose name appears upon the register in respect of any shares as the absolute owner thereof and shall not be under any obligation to recognise any trust or equity or equitable claim to or partial interest in such shares whether or not it shall have express or other notice thereof.

LIEN

11. The Company shall have a lien on every share for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a lien on all shares standing registered in the name of a single person for all moneys presently payable by him or his estate to the Company but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The Company's lien, if any, on a share shall extend to all dividends payable thereon.

12. The Company may sell, in such manner as the directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.

13. For giving effect to any such sale the directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered 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.

14. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the

sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

15. The directors may, subject to any conditions of allotment, from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) provided that (except as otherwise fixed by the conditions of allotment) no call on any share shall be payable at less than thirty days from the date appointed for payment of the last preceding call, and each member shall (subject to being given at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares.
16. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
17. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate of eight per centum per annum from the day appointed for the payment thereof to the time of the actual payment, but the directors shall be at liberty to waive payment of that interest wholly or in part.
18. The provisions of these regulations as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
19. The directors may, if they think fit, receive from any member willing to advance the same all or any part of the money unpaid upon the shares held by him beyond the sums actually called upon thereon as a payment in advance of calls which shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is advanced, and the Company may pay interest upon the money so received, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, at such rate as the member paying such sum and the directors agree.

TRANSFER AND TRANSMISSION OF SHARES

20. The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
21. Shares shall be transferred in the following form, or in any usual or common form which the directors shall approve -

"I, A.B., of _____, in consideration of Shs. _____ paid to me by C.D., of _____ (hereinafter called "the said transferee") do hereby transfer to the said transferee the share (or shares) numbered _____ in the undertaking called the Enterprises Limited, to hold unto the said transferee, subject to the several conditions on which I hold the same; and I, the said transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid. As witness our hands the _____ day of _____, 19 _____.

Witness to the signatures of, etc."

22. The directors may in their absolute discretion decline to register any transfer of shares to a person of whom they do not approve not being already a member of the Company and may also decline to register any transfer of shares on which the Company has a lien. The directors may also suspend the registration of transfer during the fourteen days immediately preceding the ordinary general meeting in each year. The directors may decline to recognise any instrument of transfer unless -

- (a) a fee not exceeding two shillings is paid to the Company in respect thereof; and
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.

If the directors refuse to register a transfer of any shares they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

23. The legal personal representatives of a deceased sole holder of a share shall be the only persons recognised by the Company as having any title to the share. In the case of a share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased's survivor, shall be the only persons recognised by the Company as having any title to the share.

24. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall, upon evidence being produced as may from time to time be properly required by the directors, have the right, either to be registered as a member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made, but the directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or bankrupt person before the death or bankruptcy.

25. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

26. Save as hereinafter provided, no shares in the Company shall be transferred otherwise than to a person who is already a member of the Company until the rights of pre-emption hereby conferred shall have been exhausted that is to say:

- (i) Every member or other person referred to in Article 24 who intends to transfer shares (hereinafter called the vendor) shall give notice in writing to the Board of his intention so to do. Such notice shall constitute the Board his agent for the sale of the said shares in one or more lots at the discretion of the Board to members of the Company at a price to be agreed upon by the vendor and the Board, or in default of agreement, at a price which the auditor of the Company for the time being shall certify by writing under his hand, to be in his opinion, the fair selling value thereof as between a willing vendor and a willing purchaser.
- (ii) Upon the price being fixed as aforesaid the Board shall forthwith give notice to all the members of the Company of the number and price of the shares to be sold and invite each of them to state in writing within thirty days of the date of the said notice whether he is willing to purchase any and, if so, what maximum number of the said shares.
- (iii) At the expiration of the said thirty days the Board shall allocate the said shares to or amongst the member or members who shall have expressed his or their willingness to purchase as aforesaid, and (if more than one) so far as may be pro rata according to the number of shares already held by them respectively PROVIDED THAT no member shall be obliged to take more than the said maximum number of shares so notified by him as aforesaid.
- (iv) Upon such allocation being made the vendor shall be bound on payment of the said price to transfer the shares to the purchaser or purchasers. If he makes default in so doing the Chairman for the time being of the directors of the Company or failing him one of the directors duly nominated by resolution of the Board for that purpose shall forthwith be deemed to be duly appointed attorney of

the vendor with full power to execute, complete and deliver in the name and on behalf of the vendor a transfer of the shares to the purchasing member and the Board may receive and give a good discharge for the purchase-money on behalf of the vendor and enter the name of the purchaser in the register of members as holder by transfer of the shares purchased by him.

- (v) In the event of the whole or any lot of shares offered through the Board as provided by this Article not being sold in the manner by this Article provided, the vendor may at any time within six calendar months after the expiration of the said period of thirty days after the date of the notice given by the Board to the members, transfer the shares not so sold to any person and at any price.

FORFEITURE OF SHARES

27. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

28. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.

29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect.

30. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.

31. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company receive payment in full of the nominal amount of the shares.

32. A statutory declaration in writing, that the declarant is a director of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

33. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call made and notified.

CONVERSION OF SHARES INTO STOCK

34. The Company may by ordinary resolution convert any paid-up shares into stock, and reconvert any stock into paid-up shares of any denomination.

35. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as, and subject to which, the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit but the directors may from time to time fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but the minimum shall not exceed the nominal amount of the shares from which the stock arose.

36. 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, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company) shall be conferred by any such aliquot part of stock as would not if existing in shares, have conferred that privilege or advantage.

37. Such of the regulations of the Company as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

ALTERATION OF CAPITAL

38. The Company may from time to time by special resolution increase the share capital by such sum, to be

divided into shares of such amount, as the resolution shall prescribe.

39. All new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time, within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of those shares in such manner as they think most beneficial to the Company. The directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under this Article.

40. 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) sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to the provisions of section 51 (1)(d) of the Ordinance;
- (c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

41
42. The Company may, by special resolution, reduce its share capital and any capital redemption reserve fund in any manner and with, and subject to, any incident authorized, and consent required, by law.

- P 10 -

GENERAL MEETINGS

43. A general meeting shall be held once in every calendar year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and place as may be determined by the directors. In default of a general meeting so held a general meeting may be convened by any one member in the same manner as nearly as possible as that in which meetings are to be convened by the directors.

44. All such general meetings shall be called Annual General Meetings, and all other general meetings shall be called Extraordinary General Meetings.

45. The directors may, whenever they think fit, convene an extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition or, in

25. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

26. Save as hereinafter provided, no shares in the Company shall be transferred otherwise than to a person who is already a member of the Company until the rights of pre-emption hereby conferred shall have been exhausted that is to say:

- (i) Every member or other person referred to in Article 24 who intends to transfer shares (hereinafter called the vendor) shall give notice in writing to the Board of his intention so to do. Such notice shall constitute the Board his agent for the sale of the said shares in one or more lots at the discretion of the Board to members of the Company at a price to be agreed upon by the vendor and the Board, or in default of agreement, at a price which the auditor of the Company for the time being shall certify by writing under his hand, to be in his opinion, the fair selling value thereof as between a willing vendor and a willing purchaser.
- (ii) Upon the price being fixed as aforesaid the Board shall forthwith give notice to all the members of the Company of the number and price of the shares to be sold and invite each of them to state in writing within thirty days from the date of the said notice whether he is willing to purchase any and, if so, what maximum number of the said shares.
- (iii) At the expiration of the said thirty days the Board shall allocate the said shares to or amongst the member or members who shall have expressed his or their willingness to purchase as aforesaid, and (if more than one) so far as may be pro rata according to the number of shares already held by them respectively PROVIDED THAT no member shall be obliged to take more than the said maximum number of shares so notified by him as aforesaid.
- (iv) Upon such allocation being made the vendor shall be bound on payment of the said price to transfer the shares to the purchaser or purchasers. If he makes default in so doing the Chairman for the time being of the directors of the Company or failing him one of the directors duly nominated by resolution of the Board for that purpose shall forthwith be deemed to be duly appointed attorney of

the vendor with full power to execute, complete and deliver in the name and on behalf of the vendor a transfer of the shares to the purchasing member and the Board may receive and give a good discharge for the purchase-money on behalf of the vendor and enter the name of the purchaser in the register of members as holder by transfer of the shares purchased by him.

- (v) In the event of the whole or any lot of shares offered through the Board as provided by this Article not being sold in the manner by this Article provided, the vendor may at any time within six calendar months after the expiration of the said period of thirty days after the date of the notice given by the Board to the members, transfer the shares not so sold to any person and at any price.

FORFEITURE OF SHARES

27. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

28. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.

29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect.

30. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.

31. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company receive payment in full of the nominal amount of the shares.

32. A statutory declaration in writing, that the declarant is a director of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

33. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call made and notified.

CONVERSION OF SHARES INTO STOCK

34. The Company may by ordinary resolution convert any paid-up shares into stock, and reconvert any stock into paid-up shares of any denomination.

35. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as, and subject to which, the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit but the directors may from time to time fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but the minimum shall not exceed the nominal amount of the shares from which the stock arose.

36. 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, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company) shall be conferred by any such aliquot part of stock as would not if existing in shares, have conferred that privilege or advantage.

37. Such of the regulations of the Company as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

ALTERATION OF CAPITAL

38. The Company may from time to time by special resolution increase the share capital by such sum, to be

divided into shares of such amount, as the resolution shall prescribe.

39. All new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time, within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of those shares in such manner as they think most beneficial to the Company. The directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under this Article.

40. 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) sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to the provisions of section 51 (1)(d) of the Ordinance;
- (c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

41
42. The Company may, by special resolution, reduce its share capital and any capital redemption reserve fund in any manner and with, and subject to, any incident authorized, and consent required, by law.

- 110 -

GENERAL MEETINGS

43. A general meeting shall be held once in every calendar year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and place as may be determined by the directors. In default of a general meeting so held a general meeting may be convened by any one member in the same manner as nearly as possible as that in which meetings are to be convened by the directors.

44. All such general meetings shall be called Annual General Meetings, and all other general meetings shall be called Extraordinary General Meetings.

45. The directors may, whenever they think fit, convene an extraordinary General meeting and Extraordinary General Meetings shall also be convened on such requisition or, in

default, may be convened by such requisitionists as provided by section 114 of the Companies Ordinance. If at any time there are not within Tanzania sufficient directors capable of acting to form a quorum, any director or any one member of the Company may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the directors.

NOTICE OF GENERAL MEETINGS

46. Subject to the provisions of section 117(2) of the Ordinance relating to special resolutions, seven days' notice at the least (exclusive of the day on which the notice is served or deemed to be served but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and, in case of special business, the general nature of that business shall be given in manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under the regulations of the Company entitled to receive such notices from the Company but with the consent of all the members entitled to receive notice of some particular meeting, that meeting may be convened by such shorter notice and in such manner as those members may think fit.

47. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any member shall not invalidate the proceedings at any meeting.

PROCEEDINGS AT GENERAL MEETINGS

48. All business shall be deemed special that is transacted at Extraordinary Meeting, and all that is transacted at an Ordinary Meeting, with the exception of sanctioning a dividend, the consideration of the accounts, balance sheets and the ordinary report of the directors and auditors, the election of directors and other officers in the place of those retiring by rotation, and the fixing of remuneration of the auditors.

49. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business save as herein provided, two members present in person or by proxy shall be a quorum.

50. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved in any other case it shall be adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

51. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the Company.

52. If there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the members present shall choose some one of their number to be chairman.

53. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten 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.

54. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least one member present in person or by proxy and entitled to vote. Unless a poll is so demanded, a declaration by the Chairman that the resolution has, on a show of hands, been carried or carried unanimously or by a particular majority, or lost, and an entry to that effect in the minute book shall be conclusive evidence of the fact.

55. If a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

56. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

57. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

58. An ordinary resolution of the Company determined on without any general meeting and evidenced by writing under the hands of all the directors or a sole director and of members of the Company holding in the aggregate three-fourths of the issued shares of the company shall be as valid and effectual as an ordinary resolution duly passed at a general meeting of the Company.

VOTES OF SHAREHOLDERS

59. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote, and on a poll every member shall have one vote for each share of which he is the holder.

60. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be

accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

61. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian appointed by that court, and any such committee or other legal guardian may, on a poll vote by proxy.

62. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

63. On a poll votes may be given either personally or by proxy. Provided that no Company shall vote by proxy as long as a resolution of its directors in accordance with the provisions of Section 116 of the Ordinance is in force.

64. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised. A proxy need not be a member of the Company.

65. 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 registered office of the Company not less than seventy-two hours before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

66. An instrument appointing a proxy may be in the following form, or any other form which the directors shall approve -

"I, _____, of _____,
being a member of KAGERA SUGAR LIMITED hereby
appoint _____ of _____
as my proxy, to vote for me and on my behalf
at the (ordinary or extraordinary, as the case
may be) general meeting of the Company to be
held on the day of _____, 19____, and at any
adjournment thereof.

Signed this _____ day of _____, 197 ____.

67. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

68. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorised shall

be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

DIRECTORS

69. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the Memorandum of Association.

70. (a) Any member or members shall so long as he or they continue to hold in the aggregate fifteen per cent in nominal value of the issued shares of the Company, in respect of each such holding of fifteen per cent, be entitled to appoint any person to be a Director of the Company. Every such member or members may at any time remove from office any Director appointed by him or them and appoint another person in the place of any person so appointed who ceases for whatever reason to be a Director. Every such appointment or removal shall be effected by notice in writing signed by the member or members making the same or, in the case of a member being a corporation, signed by any one of its Directors or other authorised officer on its behalf and shall take effect upon lodgment at the registered office of the Company.

(b) Any member or members holding in the aggregate more than fifty per cent in nominal value of the issued shares of the Company may nominate, as Chairman of the Board of Directors, one of the Directors appointed under Article 70(a) above.

71. (1) The remuneration of the Directors shall from time to time be determined by the Company in General Meeting.

(2) In addition to their usual remuneration the directors shall also be paid such travelling, hotel and other expenses as may reasonably be incurred by them in the exercise of their duties, including any such expenses incurred in connection with their attendance at meetings of Directors.

72. Any director may at any time appoint any person approved by the directors to be an alternate director of the Company, and may at any time remove any alternate director so appointed by him from office and, subject to such approval as aforesaid, appoint another person in his place. An alternate director shall (subject to his giving to the Company an address within Tanzania at which notices may be served on him) be entitled to receive notices of all meetings of the directors, and to attend and vote as a director at any meeting at which the director appointing him is not personally present and generally to perform all the functions of his appointor as a director in the absence of such appointor. An alternate director shall ipso facto cease to be a director if his appointor ceases for any reason to be a director. All appointments and removals of alternate directors shall be effected by notice in writing under the hand of the director making or revoking such appointment sent to or left at the registered office. An alternate director shall be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults and he shall not be deemed to be the

agent of or for the Company appointing him. The remuneration of any such director shall be set out in the remuneration schedule to the directors' remuneration report, and shall consist of such (a) or the like remuneration as shall be determined between the alternate director and the director appointed in his place.

74. A director and alternate director shall not require a share qualification but nevertheless shall be entitled to attend and speak at any general meeting of the Company, and at any separate meeting of the holders of any class of shares.

75. A resolution in writing signed by all the directors shall be as valid and effectual as if it had been passed at a meeting of the directors duly called and constituted and may consist of several documents in the like form, each signed by one or more of the directors but so that the expression "director" in this article shall not include an alternate director other than an alternate director appointed by a director who at the date of the resolution is absent from a meeting.

76. Provided a director declares his interest therein in accordance with the Ordinance he may vote as a director in regard to any contract or arrangement in which he is interested or upon any matter arising hereout, and if he shall so vote his vote shall be counted as the quorum when any such contract or arrangement is under consideration.

77. The directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property, uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt liability or obligation of the Company or of any third party.

POWERS AND DUTIES OF DIRECTORS

78. The business of the Company shall be managed by the directors who may pay all expenses incurred in getting up and registering the Company, and may exercise all such powers of the Company, as are not, by the Ordinance, or by these Articles, required to be exercised by the Company in general meeting, subject, nevertheless, to any regulation of these Articles, to the provisions of the Ordinance, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in general meeting; but no regulations made by the Company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

79. The Directors may from time to time appoint one or more of their body to the office of Managing Director or may employ any person or body corporate to manage the company for such term and at such remuneration (whether by way of salary or commission, or participation in profits, or partly in one way and partly in another) as they may think fit. In the case of the appointment of a Managing Director such appointment shall be subject to determination ipso facto if he ceases from any cause to be a director.

80. The directors shall cause minutes to be kept in books provided for the purpose -

(a) of all appointments of directors 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;
- (c) of all resolutions and proceedings at all meetings of the Company, and of the directors, and of committees of directors.

and every director present at any meeting of directors or committee of directors shall sign his name in a book to be kept for that purpose.

THE SEAL

80. The Board shall provide for the safe custody of the Seal. The seal shall be used only by the authority of the Board and every instrument to which the seal shall be affixed shall be signed by a director and also by the Secretary or by a second director or by some other person appointed by the Board for the purpose.

DISQUALIFICATION OF DIRECTORS

81. The office of director shall be vacated, if the director -

- (a) without the consent of the Company in general meeting holds any other office or profit under the Company except that of Managing Director or manager; or
- (b) becomes bankrupt in this Territory or in any other territory which is declared to be a reciprocating territory under section 147 of the Bankruptcy Ordinance; or
- (c) becomes prohibited from being a director by reason of any order made under sections 213 or 269 of the Ordinance; or
- (d) is found lunatic or becomes of unsound mind; or
- (e) resigns his office by notice in writing to the Company; or
- (f) is punished with imprisonment for a term exceeding six months without the option of a fine.

PROCEEDINGS OF DIRECTORS

82. The directors may meet together for the despatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes.

A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors.

83. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall be two.

84. The continuing directors may act notwithstanding any vacancy in their body but, if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the Company as the necessary quorum of directors, the continuing directors may act for the purpose of summoning a general meeting of the Company, but for no other purpose.

85. The directors may elect a chairman of their meetings and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is 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.

86. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the directors.

87. A committee may elect a chairman of its meetings; and if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same the members present may choose one of their number to be chairman of the meeting.

88. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present and in case of an equality of votes the chairman shall have a second or casting vote.

89. All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

SECRETARY

90. The Secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit and any Secretary so appointed may be removed by them.

91. No person shall be appointed to hold office as a Secretary who is:-

- (a) the sole director of the Company; or
- (b) a corporation the sole director of which is the sole director of the Company; or
- (c) the sole director of a corporation which is the sole director of the Company.

92. A provision of the Ordinance or these regulations requiring or authorising a thing to be done by or to a director and the Secretary shall not be satisfied by its being done by or to the same person acting as director and as, or in place of the Secretary.

DIVIDENDS AND RESERVE

93. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the directors.

94. The directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the Company.

95. No dividend shall be paid otherwise than out of profits.

96. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid on the shares, but if and so long as nothing is paid up on any of the said shares in the Company dividends may be declared and paid according to the amounts of the shares. No amount paid on a share in advance of calls shall, while carrying interest, be treated for the purposes of this Article as paid on the share.

97. The directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies or for equalising dividends, or for any other purpose to which the profits of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares in the Company) as the directors may from time to time think fit.

98. If several persons are registered as joint holders of any share, any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.

99. Any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto or in the case of joint holders to any one of such joint holders at his registered address or to such person and such address as the member or person entitled or such joint holders as the case may be may direct.

Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to the order of such other person as the member or person entitled or such joint holders as the case may be may direct.

100. No dividend shall bear interest against the Company.

ACCOUNTS

101. The directors shall cause proper books of account to be kept with respect to -

All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;

All sales and purchases of goods by the Company;

The assets and liabilities of the Company.

102. The books of account shall be kept at the registered office of the Company, or at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.

103. The directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the directors or by the Company in general meeting.

104. The directors shall from time to time in accordance with section 123 of the Ordinance, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets and reports as are referred to in that section.

105. The profit and loss account shall show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure, distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance of profit and loss may be laid before the meeting and, in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

106. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting together

with a copy of the Auditor's report shall not less than twenty-one days before the date of the meeting be sent to all persons entitled to receive notices of general meetings of the Company.

AUDIT

107. Auditors shall be appointed and their duties regulated in accordance with sections 132, 133 and 134 of the Ordinance.

NOTICES

108. A notice may be given by the Company to any member either personally or by sending it by post to him to his address supplied by him to the Company for the giving of notices to him. Notices sent by post outside Dar es Salaam shall be despatched by first class air-mail.

109. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder named first in the register of members in respect of the share.

110. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title or representatives of the deceased, or receiver of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

111. Notice of every general meeting shall be given in the manner hereinbefore authorised to (a) every member and also to (b) every person entitled to a share in consequence of the death or bankruptcy of a member, who but for his death or bankruptcy would be entitled to receive notice of the meeting. No other person shall be entitled to receive notices of general meetings.

CAPITALIZATION OF PROFITS

112. The Company in general meeting may upon the unanimous recommendation of the directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit or loss account or otherwise available for distribution amongst the 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 shares by such members respectively, or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way or partly in the other, and the directors shall give effect to such resolution.

113. Whenever such a resolution as aforesaid shall have been passed the directors shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full powers to the directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any persons to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization, 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 capitalized, 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.

WINDING UP

114. If the Company shall be wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Companies Ordinance, if any, and having due regard to the respective rights of the holders of different classes of shares to which special rights are attached, divide amongst the members in specie or kind the whole or any part of the assets of the Company and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may with like sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

115. Subject to the provisions of the Ordinance, every director or other officer and auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution of his office or otherwise in relation thereto.

Names, Postal Addresses and Occupations of Subscribers	Number of Shares taken by each Subscriber	Signatures of Subscribers
GREVAS ISHENGOMA General Manager National Agricultural and Food Corporation P.O.Box 903 DAR ES SALAAM.	ONE	(Sd) G. ISHENGOMA
EVARIST NDEPIMIO MATEMU Ag. Chief Operations Officer National Agricultural and Food Corporation P.O.Box 903 DAR ES SALAAM.	ONE	(Sd) E.N. MATEMU

DATED THIS 17TH DAY OF JULY, 1973.

WITNESS TO THE ABOVE SIGNATURES:-

M.R.J. Rahim
SENIOR CORPORATION COUNSEL
TANZANIA LEGAL CORPORATION
DAR ES SALAAM.

THE COMPANIES ORDINANCE
(CAP. 212)



CHECKED 22 JUL 2003

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

KAGERA SUGAR LIMITED

Incorporated this 17th day of July, 1973

The Tanzania Legal Corporation
BANK HOUSE
Independence Avenue,
P.O. Box 2203
DAR ES SALAAM