

THE COMPANIES ACT 2002

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COMPANY LIMITED BY SHARES

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MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

**SAB GOLD LIMITED**

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(A PRIVATE COMPANY)

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INCORPORATED AS OF THIS      DAY OF \_\_\_\_\_, 2019

**DRAWN BY:**  
ARS Law & Advisories  
Ground Floor, Mikumi House  
Oysterbay Office Complex  
368 Msasani Road  
P.O. Box 23262  
Dar es Salaam

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COMPANY LIMITED BY SHARES

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MEMORANDUM OF ASSOCIATION

OF

**SAB GOLD LIMITED**

1. The name of the Company is **SAB GOLD LIMITED**.
2. The registered office of the Company will be situated in Tanzania.
3. The objects for which the Company is established are:
  - a) To carry on the business of procuring and exporting of gold, gold dore bars, mining and manufacturing of basic precious, other non-ferrous metal and non-metallic mineral products, casting of non-ferrous metal ores, cutting, shaping and finishing of stone, wholesale of metals and metal ores, support activities for other mining and quarrying, other retail sale of new goods in specialised stores and any other activities which may be required for any of the Company's activities.
  - b) To carry on the business of gemstone dealers, buyers, sellers, cutters and setters of gemstones, precious and semi-precious stones including diamonds, emeralds, sapphires, rubies, agate, Tanzanite, Rhodolite, Garnets, Beryl, Onyx, topaz amethyst, Opal, Pearls, Coral and dealers, buyers, sellers, smiths and handlers of gold, platinum, silver, copper, nickel, mercury, aluminium, brass of all metals and their alloys as well as any other things connected with or incidental to the jewellery business.
  - c) To carry on the business of importers of different types of machines and all equipment, goods and items for carrying out the objectives of the Company and to engage in international trade.
  - d) To purchase, take on lease or otherwise acquire freehold and other lands, properties, mines and minerals properties, exploration rights, concessions, leases, claims, licence of or any other interest in mines, mining, exploration and minerals properties and water rights.
  - e) To acquire by purchase, concession or lease, to take in exchange or otherwise, or to erect, construct and alter, buildings, railway, roads, shafts, furnaces, and other machinery, works for smelting or otherwise treating, storing, manufacturing, purifying, refining, liquefying or otherwise processing oil, petroleum and natural gas.
  - f) To employ and pay experts, agents, and other persons, partnerships, companies or corporations and to pay management consultants and make consultancy payments for management advice, and to organise, equip and dispatch expeditions for prospecting, exploring, reporting on, surveying, working and developing lands and properties, whether owned by this company or not, and to make advances to, and pay for or contribute to the expenses of, and otherwise assist persons or companies prospecting, acquiring, building on, or mining, manufacturing basic precious and non-ferrous metals in or on or otherwise developing or exploiting any lands and properties, or desirous of so doing.
  - g) To purchase, take on lease or acquire by license, concession, grant or otherwise rights to mine (whether underground or open-cast), quarry, dig, acquire, extract or otherwise obtain coal, clay, sand, minerals, or other material and for this purpose to purchase, take on lease or




in exchange or otherwise acquire land of any tenure, buildings, easements, rights and privileges, machinery, plant and other effects.

- h) To carry on business as a general commercial company.
- i) To carry on any other trade, business or activity whatsoever and to do anything of any nature which can, in the opinion of the Directors of the Company, be advantageously or conveniently carried on by the Company in connection with, as ancillary to or independently of any of its businesses.
- j) To obtain all necessary permits or licences required for the purpose of enabling the company to carry on its business upon such terms and conditions as may be acceptable to it.
- k) To borrow and raise money by means of local and foreign currency loans from scheduled banks, industrial banks, financial institutions and other specialised institutions or non-bank finance companies for the purpose of purchase, manufacture, market, supply, export and import of engineering consumables.
- l) To secure or discharge any debt or obligation of or binding on the Company in such manner as may be thought fit and, in particular, by legal and equitable mortgages and charges upon the undertaking and all or any of the property and assets (present and future) and the uncalled capital of the Company or by the creation and issue on such terms and conditions as may be thought expedient of debentures, debenture stock or other securities of any description.
- m) To open accounts with any bank or banks and to draw, make, accept, endorse, execute, issue, negotiate and discount cheques, promissory notes, bills of exchange, bills of lading, warrants, deposit notes, debentures, letter of credit and other negotiable instruments and securities.
- n) To acquire by concession, grant, purchase, barter, licence either absolutely or conditionally and either solely or jointly with others any lands, buildings, machinery, plants, equipment, privileges, rights, licences, trademarks, patents, and other movable and immovable property of any description which the Company may deem necessary or which may seem to the Company capable of being turned to account, subject to any permission as required under the law.
- o) To invest surplus money of the Company in shares, stocks or securities of any company, debentures, debenture stocks or in any investments, short term and long term participation, term finance certificates or any other government securities in such manner as may from time to time be decided by the directors, without indulging in non-banking finance business, banking business or an investment company or any other lawful business.
- p) To purchase, take on lease or in exchange, hire or otherwise acquire any property, movable or immovable, or any interest therein and any rights or privileges which the Company may think necessary or convenient for the purposes of its business, and in particular any land or buildings, and to pay for such properties, rights and privileges, either in cash or in stock or shares of the Company or partly in cash and partly in stock or shares or otherwise.
- q) To promote, effect, guarantee, underwrite, participate in, and carry out any issue, public or private, of state, municipal, or other loans or of shares, debentures of any company, corporation or association and to lend for the purposes of any such issue.
- r) To carry on trust and agency business of all kinds, and to act as trustees, agents, managing agents, factors, brokers and del credere agents, and to assist and advise persons, firms and corporations in such manner as may be thought necessary or desirable.
- s) To carry on and transact any other businesses and operations, commercial, manufacturing, financial, agricultural or otherwise which the Company may think directly or indirectly conducive to any of its objects or capable of being conveniently carried on in connection therewith or calculated, directly or indirectly, to enhance the value of or render profitable any of the Company's property or rights.

- t) To enter into hire, hire purchase and other agreements in respect of goods or articles dealt with and services supplied to or by the Company and to negotiate, assign, mortgage or pledge for cash or otherwise any such agreements or any payments or rights accruing thereunder.
- u) To enter into any arrangements with any governments or authorities, supreme, municipal, local or otherwise, that may seem conducive to the Company's objects or any of them, and to obtain from any such government or authority any contracts, rights, privileges or concessions which the Company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, contracts, rights, privileges and concessions.
- v) To carry out joint venture agreements with other companies or countries within the scope of the objects of the Company.
- w) To acquire, carry on and undertake all or any part of the business, property and liabilities of any person or company carrying on business similar to that which the Company is authorised to carry on, or possessed of rights or property suitable for any of the purposes of the Company, and to purchase, acquire, sell and deal with the shares and securities of any such person or company.
- x) To sell the property and undertaking of the Company or any part thereof, for such consideration as the Company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to the objects of the Company.
- y) To promote any other company for the purpose of acquiring all or any of the property and liabilities of the Company, or for any other purposes, which may seem directly or indirectly calculated to benefit the Company, and to subsidise or otherwise assist any such company.
- z) To take or otherwise acquire and hold shares in any other company, having objects altogether or in part similar to those of the Company, or carrying on any business capable of being conducted so as directly or indirectly to benefit the Company.
- aa) To amalgamate with any other company having objects altogether or in part similar or those of the Company.
- bb) To act as representatives, for any person, firm or company and to undertake and perform sub-contracts, and also act in the business of the Company through or by means of agents, sub-contractors and to do all or any of the things mentioned herein in any part of the world and either alone or in collaboration with others and by or through agents, sub-contractors or otherwise.
- cc) To purpose to carry out market surveys, researches, training programs and other activities.
- dd) To establish, promote or assist in establishing or promoting and subscribe to or become a member of any other company, association or club whose objects are similar or in part similar to the objects of this Company or the establishment or promotion of which may be beneficial to the Company, as permissible under the law.
- ee) To distribute any of the property of the Company among the Members in specie or in kind.
- ff) To lend money to such persons and on such terms as may seem expedient, and in particular to customers and others having dealings with the Company, and to guarantee and become surety for the liabilities of, the performance of contracts and the repayment of money by any persons whether customers and others having dealings with the Company, or not.
- gg) To purchase or otherwise acquire any patents, brevets d' invention, licence, concessions and the like, conferring any exclusive or non-exclusive or limited rights to use any invention which may seem capable of being used for any purpose of the Company, or the acquisition of which may seem calculated directly or indirectly, to benefit the Company and to use, exercise, and develop, or grant licences in respect of, or otherwise turn to account, the property and rights so acquired.

- hh) To sell, improve, manage, develop, lease, transfer, mortgage, pledge, exchange or otherwise dispose of the whole or any part of the property, rights or the undertaking of the Company, either together or in portions for such consideration as the Company may think fit and in particular, for shares, debenture-stock or securities of any Company purchasing the same or to any other legal entity or person, by other means, permissible under the law.
  - ii) To acquire and hold shares, stocks, debentures, debenture stock, bonds, obligations and securities issued or guaranteed by any company and debentures, debenture stock, bonds, obligations and securities issued or guaranteed by any government, sovereign ruler, commissioners, public body or authority, supreme, municipal, local or otherwise.
  - jj) To acquire any such shares, stocks, debentures, debenture stock, bonds, obligations or securities by original subscription, tender, purchase, exchange or otherwise, and to subscribe for the same, either conditionally or otherwise and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof.
  - kk) To obtain any provisional Order or Act of Parliament for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for 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 interests.
  - ll) To cause the Company to be registered or recognised in any foreign country and carry on its business activities in any part of the world.
  - mm) To pay all costs, charges and expenses, if any, incidental to the promotion, formation, registration and establishment of the Company.
  - nn) To do all such of other things as may be conducive or incidental to the attainment of the above objects.
  - oo) The objects set forth in any sub-clause of this clause shall not be restrictively construed, but the widest interpretation shall be given thereto, and they shall not, except when the context expressly so requires, be in any way limited to or restricted by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or by the name of the Company. None of such sub-clauses or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other sub-clause, but the Company shall have full power to exercise all or any of the powers and to achieve or to endeavour to achieve all or any of the objects conferred by and provided in any one or more of the said sub-clauses.
4. The liability of the Members is limited.
  5. The share capital of the Company is **Tanzanian Shillings five hundred million (TZS 500,000,000/=) divided into five hundred thousand (500,000) shares of Tanzanian Shillings one thousand (TZS 1,000/=)** each with power for the Company to increase or reduce such capital and to divide the shares in the capital for the time being, whether original or increased, in different classes, and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares, whether preference or otherwise, or any such rights, privileges or conditions shall not be altered or modified except in accordance with the Articles of Association registered herewith.

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

NAMES, POSTAL ADDRESSES & OCCUPATION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	SIGNATURE OF SUBSCRIBERS
ABBAS HUSEIN BANDALI 32 HODDER LANE, EMERSON VALLEY, MILTON KEYNES MK4 2LJ UNITED KINGDOM	5,099	
MILLENIUM GOLD LIMITED 11 FLOOR, NHC HOUSE, PLOT NO. 123, SAMORA AVENUE, SUITE NO. 8 P.O. BOX 7543 DAR ES SALAAM	4,900	Affix Company seal /stamp   Director  Director/Company Secretary
<b>TOTAL NUMBER OF SHARES</b>	<b>9,999</b>	

Dated this 26 day of August 2019

WITNESS TO THE EXECUTION BY ABBAS HUSEIN BANDALI

Signature: MARGARETH FABIAN

Names in Full: Fabian

Address: P.O. Box 70910, Dsm

Occupation: NOTARY PUBLIC/COMMISSIONER OF OATHS



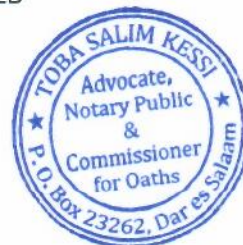
WITNESS TO THE EXECUTION BY MILLENIUM GOLD LIMITED

Signature: [Signature]

Names in Full: TOBA SALIM KESSI

Address: P.O. BOX 23262

Occupation: NOTARY PUBLIC/COMMISSIONER OF OATHS



THE COMPANIES ACT 2002

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COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

**SAB GOLD LIMITED**

TABLE A

1. The regulations in Table A in the First Schedule to the Companies Act 2002 shall not apply to the Company save if the same is repeated or contained in these Articles.

INTERPRETATION

2. In these Articles unless the context otherwise requires, expressions defined in the Companies Act 2002 shall have the meanings so defined and the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof, namely:

<u>Words</u>	<u>Meanings</u>
"Act"	the Companies Act 2002 or any statutory re-enactment or modification thereof for the time being in force, and reference to any section or provisions of the Act shall include reference to any statutory re-enactment or modification of such section or provision for the time being in force;
"Articles"	these Articles of Association of <b>SAB GOLD LIMITED</b> ;
"Auditors"	the duly appointed auditors of the Company from time to time;
"Board"	the board of Directors of the Company or the Directors present at a duly convened meeting of Directors at which quorum has been attained;
"Chairman"	the Chairman of the Company;
"Company"	means <b>SAB GOLD LIMITED</b> ;
"Directors"	the Directors for the time being of the Company or if there be only one Director then such one Director;
"Dividends"	any distribution (whether in cash or property, and whether made before or during a winding up) by the Company to any Member with respect to a Member's equity interest in the Company;
"Member"	a registered shareholder in the Company;
"Memorandum"	the Memorandum of Association of the Company;

“Month”	calendar month;
“objects”	the objects of the Company;
“Office”	the registered office of the Company;
“quorum”	(in the case of Board meetings) two (2) Directors as the minimum number of Directors who must be present at a meeting in order for business to be transacted;
“Seal”	the Common Seal of the Company;
“Year”	the financial year as determined by the Board of Directors; and
“writing”	includes printing and lithography and any other mode or modes of representing or producing words in a visible form.

### PRIVATE COMPANY

3. The Company is a Private Company, and accordingly:
- (a) no invitation shall be issued to the public to subscribe for any shares or debentures of the Company;
  - (b) the number of the Members, not including persons who are in the employment of the Company is limited to fifty (50) Members. Provided that, for the purpose of this provision, where two (2) or more persons hold one or more shares in the Company jointly, they shall be treated as a single Member;
  - (c) the right to transfer the shares of the Company is restricted in the manner hereinafter provided; and
  - (d) no bearer Share Warrant shall be issued.

### BUSINESS

4. Any branch or kind of business which the Company is either expressly or by implication authorized to undertake in terms of its objects, may be undertaken by the Board at such time or times as it shall think fit, and further may be suffered by it to be in abeyance, whether such branch or kind of business may have been actually commenced or proceeded.
5. The Office shall be at such a place in Tanzania as the Board shall from time to time appoint.
6. 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, provided that nothing in this Article shall prohibit transactions mentioned in the proviso of Section 57 (1) of the Act.

### SHARE CAPITAL

7. The share capital of the Company at the date of adoption of these Articles is Tanzanian Shillings five hundred million (TZS 500,000,000/=) divided into five hundred thousand (500,000) ordinary shares of Tanzanian Shillings one thousand (TZS 1,000/=).
8. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the original capital or not) may be issued with any such preferred, deferred or other special rights or subject in regard to dividend returns of capital, voting or otherwise as the Company may from time to time, by resolution, determine or in the case of any shares in respect of which there has been no such determination as the Board may direct.

9. Subject to the provisions of Section 61 of the Act any preference shares may be issued on terms that they are, or at the option of the Company are to be liable, to be redeemed on such terms and in such manner as the Company may, by special resolution, determine.
10. The Company may, from time to time by special resolution, increase its share capital by such sum, to be divided into shares of such amounts as the resolution shall prescribe.

#### MODIFICATION OF CLASS OF SHARES

11. All or any of the special rights and privileges for the time being attached to any class of shares issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent, in writing, of the holders of no less than three – fourths (3/4) of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of such shares. To any such separate general meeting all the provisions of these Articles as to the general meeting of the Company shall *mutatis mutandis* apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy no less than one-third (1/3) of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and that if at any adjourned meeting of such holders a quorum as above defined be not present, those of such holders who are present shall be a quorum.
12. The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided by the conditions of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking, *pari passu* therewith.

#### SHARES

13. Subject to the provisions of these Articles, the unissued shares of the Company may be allotted, granted options over or otherwise disposed to such persons, at such times and for such consideration and upon such terms and conditions as the Shareholders may determine by passing a special resolution, but so that no shares shall be issued at a discount except in accordance with Section 60 of the Act.
14. All issues of shares of common stock, preferred stock or options or warrants to purchase common or preferred stock or any security convertible in whole or in part into any of the aforesaid shares, options or warrants shall first be offered to all of the Members as nearly as may be in proportion to the percentage of the capital stock of the Company respectively held by such Member at the date of such offer. Every such offer shall be made in writing by the secretary of the Company and shall state that any shares the subject of such offer that are not subscribed by any Member will be offered to the other Members in proportion to the shares held by them.
15. If the shares and equity securities of any issue shall not be capable, without division into fractions, of being offered to or being divided among the Members in the proportions above mentioned the same shall be offered to or divided among the Members as nearly as may be in such proportions and any balance shall be offered to or divided among the Members in such manner as may be reasonably determined by the Board.
16. If all of the shares or equity securities, as the case may be, of any issue are not fully subscribed for within a period of sixty (60) days after the same are offered to the Members, the Company shall, during the following period of fifteen (15) days, offer all or any of the shares or equity securities not taken up by the Members to those Members who have accepted their offers in proportion to their shareholdings, and if not subscribed by these Members within a period of thirty (30) days after being offered the Company may offer the same to any person or persons as the Board thinks fit, provided that:
  - (a) the price at which such shares or equity securities may be allotted and issued shall be not less than the subscription price initially offered to the Members, and

- (b) the terms of payment and otherwise for such shares or equity securities shall not be more favourable than the terms initially offered to the Members.
17. The Company may exercise the powers of paying commissions conferred by Section 56 of the Act, provided that the rate or amount of the commission paid or agreed to be paid and the number of shares which persons have agreed for a commission to subscribe absolutely shall be disclosed in the manner required by the said section, and that such commission shall not exceed ten per cent (10%) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to ten per cent (10%) of such price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
18. If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant or equipment which cannot be made profitable for a lengthened period, the Company may, pay interest on so much of such share capital as is for the time being paid up and may charge the same to capital as part of the cost of construction of the works or buildings or the provision of plant.
19. Except as ordered by a court of competent jurisdiction or as by law required, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

#### SHARE CERTIFICATES

20. Every member, upon becoming the holder of any shares, shall be entitled without payment to receive within two (2) months after allotment or lodgements of transfer (or within such other period as the conditions of issue shall provide) one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates after the first such reasonable sum as the directors may determine. Every certificate shall be made under seal and shall specify the shares to which it relates and the amount or respective amounts paid thereon. In respect of shares held jointly by several persons, the Company shall issue one certificate, and delivery to all such holder.
21. If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of expenses reasonably incurred by the company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing out) on delivery up of the old certificate.

#### LIEN

22. The company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect that share; 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 extend to any amounts payable in respect of it.
23. The company may sell, in such manner as the directors determine any shares on which the company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen (14) clear days after a notice in writing has been given to the holder of the share, or the person entitled thereto by reason of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.

24. To give effect to any such sale the directors may authorize some person to transfer the shares sold to, or in accordance with the directions of, 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.
25. The net 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, if any, shall (upon surrender to the company for cancellation of the certificate for the shares sold and subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares, at the date of the sale.

### CALLS ON SHARES

26. Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their shares whether in respect of nominal value or premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall exceed one-fourth (1/4) of the nominal value of the share or be call, and each member shall (subject to receiving at least fourteen (14) clear days notice specifying when and where payment is to be made) pay to the company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the company of any sum due there under, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
27. A call shall be deemed to have been made at the time when the resolution of the directors authorizing the call was passed.
28. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
29. If a call remains unpaid after it has become due and payable, the person from whom the sum is due shall pay interest on the amount unpaid from the day it became due and payable to the time of actual payment at the rate fixed by the term of allotment of the share or, if no rate is fixed, at a rate not exceeding five percent (5%) per annum as the directors may determine, but the directors may waive payment of such interest wholly or in part.
30. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be call, and if it is not paid the provisions of the articles shall apply as if that amount had become due and payable by virtue of a call.
31. Subject to the terms of allotment, the directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.
32. The directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys un-called and unpaid upon any shares held by him, and upon all or any the moneys so advanced may (until the same would, but for such advance become payable) pay interest at such rate not exceeding (unless the company in general meeting shall otherwise direct) five per cent (5%) per annum, as may be agreed upon between the directors and the members paying such sum in advance.

### TRANSFER OF SHARES

33. Unless otherwise agreed by the Board a Shareholder may dispose of all or any of its Shares in accordance with the provisions of Articles 34 - 40 but not otherwise.

34. Any Shareholder (the "**Transferor**") who wishes to dispose of any of its/his Shares in the Company (the "Equity") shall, before so doing or agreeing so to do, inform the Board of its/his intention by giving the Board notice in writing (a "**Transfer Notice**"). The Transfer Notice shall constitute the Board as the Transferor's agent empowered to sell the Equity (together with all rights then attached to the Equity) at the Prescribed Price (defined below) to the other Founding Shareholders other than the Transferor (collectively referred to as the "Transferees" and individually as a "Transferee") in the manner appearing below. The Board shall forthwith upon receipt of a Transfer Notice dispatch a copy thereof to each Transferee.
35. The Transferor and the Board may within a period of thirty (30) days after the date on which the Transfer Notice is served (or deemed to have been served) negotiate with a view to reaching agreement on the price of the Equity and if an agreement in writing is reached between the Transferor and the Board then the price for the Equity as agreed between the Transferor and the Board shall be the Prescribed Price. In the absence of an agreement having been reached within the said period of thirty (30) days the Prescribed Price shall be the price determined by the Auditor of the Company (who will be deemed to be acting as an expert and not an arbitrator) as the fair market value of the Equity.
36. Within fourteen (14) days of the Prescribed Price being so agreed or (as the case may be) determined and fixed as aforesaid the Equity shall be offered for purchase at the Prescribed Price by notice in writing given by the Board to the Transferees. Such offer shall be on the basis that in the case of competition for the Equity between the Transferees the Equity so offered shall (in accordance with, but subject to, Article 37) be transferred to the Transferees, in proportion (as nearly as may without involving fractions or increasing the number sold to each Transferee beyond that applied for by it/him) to their existing holdings of Shares in the Company and shall specify a period (being not less than fifteen (15) days and not more than thirty (30) days) within which the offer must be accepted or will lapse provided that if none of the Transferees have within the period aforesaid accepted the offer to purchase the Equity at the Prescribed Price then upon expiry of the said period the provisions of Article 38 shall apply and provided further that if only some but not all of the Transferees have accepted the offer to purchase the Equity and as a consequence any part of the Equity remains unpurchased then all prior acceptances by the Transferee(s) who made offers to purchase some of the Equity shall fall away and the period of such notice shall be extended for a further thirty (30) days and during such extended period the Transferee(s) who previously accepted to purchase the Equity shall collectively have an option to purchase the whole (but not part only) of the Equity at the Prescribed Price in such proportions as they may agree and if on expiry of such extended period of thirty (30) days all the Equity shall not have been agreed to be so purchased then the provisions of Article 38 shall apply.
37. If the Transferees or any of them (the "**Purchasing Transferees**") shall within the periods of the offer to purchase referred to in Article 36 agree to purchase all the Equity the Board shall immediately give notice in writing as mentioned below to the Transferor and to the Purchasing Transferees and on payment of the Prescribed Price the Transferor shall be bound to transfer the Equity to the respective Purchasing Transferees accordingly. Every such notice shall state the name and address of each Purchasing Transferee and the number of the Equity agreed to be purchased by each Purchasing Transferee and the sale and purchase shall be completed at a place and time to be appointed by the Board being not less than seven (7) days nor more than thirty (30) days after the date of such notice.
38. If a Transferor shall fail or refuse to transfer any Equity to a Purchasing Transferee pursuant to the provisions of Article 37 the Board may authorise some person to execute the necessary transfer or transfers and may deliver the transfer or transfers on the Transferor's behalf and the Board may receive the purchase money in trust for the Transferor (which the Board shall pay into a separate bank account in the Transferor's name) and cause the Purchasing Transferee to be registered as the holder of the relevant Equity in the Company. The receipt of the Company of the purchase money shall be a good discharge to the Purchasing Transferee (who shall not be bound to see to the application of it) and after the Purchasing Transferee has been registered as holder of the Equity in exercise of the said powers the validity of the proceedings shall not be questioned by any person.

39. if at the expiry of the periods referred to in Article 36 the Transferees (or any of them) shall not have agreed to purchase all the Equity any offers made by any of the Transferees to purchase part of the Equity shall fall away and the Board shall immediately give notice in writing of that fact to the Transferor and the Transferor shall then be at liberty at any time up to the expiration of three (3) months after the giving of such notice to transfer the Equity to any person (the "Third Party") on a bona fide sale at any price not being less than the Prescribed Price. It shall be a condition precedent to any transfer by the Transferor pursuant to the provisions of this Article 39 that the Third Party shall first enter into a Deed of Adherence to the intent that the Third Party shall be bound by all of the provisions of this Agreement as if it were an original Shareholder.
40. Subject to Article 36, should an offer be made to a majority of the Shareholders to purchase all or part of their Shares and those Shareholders wish to accept such offer ("**Accepting Shareholders**"), then, if so requested in writing by the remaining Shareholders ("**Remaining Shareholders**"), the Accepting Shareholders shall not be entitled to sell their Shares to such third party unless the same offer mutatis mutandis is made to the Remaining Shareholders to acquire all or a part of their Shares. Should the offer have been received from the third party to acquire only a percentage of the Shares held by the Accepting Shareholders, the Remaining Shareholders shall have the right to sell the same percentage of its Shares to the third party.
41. The instrument of transfer of any share shall be in any usual form or any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid up, by or on behalf of the 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.

#### TRANSMISSION OF SHARES

42. In case of the death of a member, the survivor or survivors where the deceased was a joint holder, and the personal representatives of the deceased where he was a sole holder or the only survivor of joint holders, shall be the only persons recognized by the company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.
43. A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may properly be required by the directors and subject as hereinafter provided, either elect by notice to the company to be registered as holder of the share, or elect to have some person nominated by him registered as the transferee in which case he shall execute the appropriate instrument of transfer. All the articles relating to the right to transfer of shares shall apply to any such notice or transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.
44. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall have the rights to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.

#### FORFEITURE OF SHARES

45. If a call remains unpaid after it has become due and payable, the directors may give to the person from whom it is due not less than fourteen (14) clear days' notice requiring payment of the amount unpaid, together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with, the shares in respect of which the call was made will be liable to be forfeited.

46. If the notice is not complied with, any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
47. Subject to the provisions of this Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person, and at any time before a sale, re-allotment or other disposition the forfeiture may be cancelled on such terms as the Members think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person, the directors may authorize some person to execute an instrument of transfer of the share in question.
48. A person any of whose shares have been forfeited shall cease to be a member in respect of the forfeited shares and shall surrender to the company of cancellation the certificate for the shares forfeited, but shall remain liable to the company for all moneys which, at the date of forfeiture, were payable by him to the company in respect of the shares, but his liability shall cease if and when the company shall have received payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
49. A statutory declaration by a director or the secretary that a share have been forfeited on a date stated in the declaration shall be conclusive evidence of the facts stated therein as the execution of an instrument of transfer if necessary) constitute a good title to the share, and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

#### ALTERATION OF CAPITAL

50. The company may:
  - 1 by Special resolution
    - (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
    - (b) subject to the provisions of section 65 (1)(d) of the Act, sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association;
    - (c) cancel shares which, at the date of the passing of the resolution, have into been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;
    - (d) increase its share capital by new shares of such amount, as the resolution prescribes; and
    - (e) reduce its share capital or any capital redemption reserve fund or any share premium account in any manner and with and subject to any circumstance authorized by the Act.
51. Whether as result of a consolidation of shares any members would become entitled for fractions of a share, the directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including subject to the provisions of this Act, the company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorize some person to execute an instrument of transfer of the shares to or in accordance with the directions of the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the sale.