

THE COMPANIES ACT OF 2002

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

AZURA BEACH CLUB LIMITED

No. 73482

Incorporated on the 16<sup>th</sup> day of Nov 2009

DRAWN BY:

ASYLA ATTORNEYS  
1<sup>ST</sup> FLOOR ALPHA HOUSE  
ALI HASSAN MWINYI ROAD  
P.O. BOX 80496  
DARES SALAAM

THE COMPANIES ACT, 2002  
COMPANY LIMITED BY SHARES  
MEMORANDUM OF ASSOCIATION  
OF  
AZURA BEACH CLUB LIMITED

1. The name of the Company is **AZURA BEACH CLUB LIMITED**. The Registered Office of the Company will be situated on the mainland of the **United Republic of Tanzania**.
2. The purpose for which the Company is established is the transaction of any and all lawful business for which companies may be incorporated in Tanzania; and more particularly the Company shall have powers: -
- (a)
- (i) To carry out the business of Health Club, Fitness Club, Sports Club and/or Gym whether private membership or public, and to carry any and all other business related thereto;
  - (ii) To acquire property, whether landed or otherwise, by way of sale, lease, transfer, gift or any other conveyance;
  - (iii) To develop or cultivate any property whatsoever and howsoever acquired including but not limited to construction of buildings, landscaping, agricultural concerns and any other construction or creation thereto;
  - (iv) To convey, lease or bestow any right in its property or properties whether by transfer, conveyance, gift, lease or sale or any other means;
  - (v) To create and recognize any trust relationship relating to its shares or to the Company's properties;
  - (vi) To do any and all things necessary to protect the Company's interests in its property including but not limited to development, refurbishment, renovation, payment of government taxes or rates;
  - (vii) To mortgage or encumber in anyway in whole or in part its Properties;
  - (viii) To provide general consultancy services of any nature;

- (ix) To develop and support tourism
- (x) To develop, create, sell, buy, import, export or in any way otherwise deal with products of any nature
- (xi) To setup workshops and offer training in the fields of education, art & design and construction.
- (xii) To act as agents or managers in carrying on hotel business concerns and undertakings and to enquire and examine into the condition, management, prospects, value and circumstances of hotel business, concerns and undertakings.
- (xiii) To carry on business as proprietors of restaurants, hotels, refreshment and tea rooms, cafes and milk and snack bars, and lodging-house keepers, licensed victuallers, importers and manufacturers of aerated, mineral and artificial waters and other drinks, and as caterers and confectioners in all their respective branches and to serve cooked food.
- (xiv) To carry on the business of hotel, guesthouse, hostel, restaurant, cafe, roadhouse, motel, holiday camp, caravan site, office rental and apartment-house keepers.
- (xv) To carry on the business of tour operators, travel agents, tourist agents and contractors, insurance forwarding and general agents, aircraft and ship owners, and charterers, agents for operators of air, sea, land and inland waterway carriage undertakings, road transport owners and hirers, hotel, apartment and lodging – house keepers, caterers and stockkeepers, publishers of books, periodical and newspaper sellers, advertising agents and generally to facilitate traveling and provide for tourists and travelers or promote the provision of facilities of every description and in particular by means of booking of travel ticket and hotel and lodging accommodation, providing guides, safe deposits, enquiry bureau and baggage transport and arranging and operating tours.
- (xvi) To fit up and furnish any property for the purpose of letting the same to visitors or guests whether in single rooms, suites, chalets, caravans, movable structures, cottages or otherwise.
- (xvii) To carry on business as bakers, confectioners, confectionists, bakers, fishermen, dairymen, grocers, poultrymen, purveyors, farmers, ice merchants and ice-cream manufacturers, and to manufacture, buy, sell, refine, prepare, grow, import, export and deal in provisions of all kinds, both wholesale and retail and whether solid or liquid.

- (viii) To establish and provide all kinds of facilities and attractions for customers and others, and particular, reading, writing and smoke rooms, lockers and safe deposits, telephones, telegraphs, clubs, stoms, game rooms, arcades, shops and lavatories.
- (ix) To buy, sell (both to persons residing on the company's premises and to non-residents), import, produce, manufacture or otherwise deal in food and food products, meat groceries, fruits, confectionery, tobacco, druggist supplies, beverages, linen, furniture and furnishings and other articles required in the said businesses.
- (x) To purchase and acquire, construct, equip, repair, maintain and work public and private transport vehicles, motor coaches, or other vehicles appropriate for the carriage of tourists, passengers, travelers or goods and to carry on the business of proprietors and carriers of passengers both in public conveyances and in private vehicles in Tanzania else where.
- (xi) To carry on in Tanzania or any part of the world all or any of the business of manufacturing, selling, exchanging, merchandising, exporting, importing and generally dealing (wholesale or retail) in Makonde wood carvings, carvings, ivory hand-crafts, seal shells, raffia, gum copal, animal tails and skin products, local leather handbags, brief cases, wallets, shoes and other by-products of leather, animal fur and skins, tents, sleeping bags, city socks, gemstones, jewellery, plated goods, artificial stones, earthenware, chinaware, toys and gunny bags.
- (xii) To carry on the business of planters, growers, cultivators, horticulturists, arboriculturists, market gardeners, agriculturists, and buyers of every kind of vegetable and other produce of the soil, to prepare, preserve, process, cure, blanch, refine, treat, manufacture and render marketable any such produce, and so sell, dispose of and deal in any such produce, either in its prepared, manufactured, raw or other state, and either by wholesale or retail.
- (xiii) To acquire by purchase or otherwise estates, ranches, farms, and to carry on the trades and businesses of dairy farmers, poultry farmers, fish farmers, graziers, breeders and rearers of cattle, sheep, goats, pigs and other livestock, pasturers, wholesale and retail butchers, port butchers, preserved and pickled meat manufacturers, vendors of meat and other produce, dealers in hides, fat, tallow, grime, offal and other animal products; and to buy, sell by wholesale or retail, import, export, prepare, deal and trade in all kinds of meat, cattle, sheep, pigs, goats, poultry, game and other live and dead stock, milk, cream, butter, cheese, eggs, sausages, preserved meat and other articles, goods or things usually or which may be conveniently dealt with in the course of carrying on any of the trades and businesses mentioned above;

- (cciv) To ensure the investigation, formulation and carrying out of projects for the development of tourism and the tourism industry in Tanzania;
- (ccv) To provide to any person, firm, company, government or local or other authority (management and consultancy services);
- (ccvi) To carry on the business and to act as importers, exporters, traders, brokers, dealers and commission agents;
- (ccvii) To carry on business as buyers, sellers, renters, hire for purchase, leasing of boats, ships and other sea-faring vessels, as well as the business of operating, repairing and providing spare parts and mechanical services;
- (ccviii) To carry on the business of general mechanical repair for motorized vehicles including, but not limited to, cars, trucks, motorcycles, boats and other vehicles including the business as buyers, sellers, renters, hire for purchase, leasing of cars, trucks, motorcycles, boats and other motorized vehicles, as well as the business of operating, repairing and providing such motorized vehicles;
- (ccix) To carry on business as buyers, sellers, renters, hire for purchase, leasing of and repair of computers, computer related equipment and computer parts, as well as the business of operating, repairing and providing (whether by way of lease, hire or sale) spare parts and repair and consulting services;
- (ccx) To carry on business as buyers, sellers, manufacturers, importers and exporters of fertilizer and chemicals;
- (ccxi) To carry on the business of fisheries including but not limited to the harvesting of fish, shrimps, prawns, crabs, lobsters, conch, shark, sponges, clams and other sea products and including preparation, packaging, preservation, buyers, sellers, manufacturers, importers and exporters of such sea products;
- (ccxii) To carry on business of agriculture including but not limited to business as producers, growers, manufacturers, packagers, buyers, sellers, exporters and importers of fresh, dried preserved and/or canned fruits, vegetables or other foodstuffs;
- (ccxiii) To carry on business as producers, manufacturers, packagers, buyers, sellers, exporters and importers of make-up, beauty products, hair care products, pharmaceuticals and home products;
- (ccxiv) To carry on business as producers, manufacturers, packagers, recyclers, buyers, sellers, exporters and importers of building materials including but not limited bricks, tiles, timber, glass, plastic, aluminium and metals;

(xxxv) To carry on the business of an employment agency, real estate agency, pharmacy, travel agency, book shop and magazine, book and literature publisher and printer.

(xxxvi) To carry on the business of general cargo, clearing and forwarding agents, transporters, carriers, wharfingers, carting contractors, cargo superintendents, packers, hauliers, warehousemen and proprietors of warehouses, removers, wholesale and or retail traders; and to issue warrants to persons warehousing goods with the company and to lend money upon security of such goods;

(xxxvii) To buy, sell and deal in foreign exchange;

(b) To appropriate any part or parts of the property of the Company for the purpose of and to build or let shops, offices, and other places of business and to use or lease any part of the property of the company not required for the purposes aforesaid for any purpose for which it may be conveniently used or let.

(c) To carry on any other trade or business whatever, which can in the opinion of the Board of Directors be advantageously carried on in connection with or ancillary to any of the businesses of the Company.

(d) To purchase or by any other means acquire and take options over any property whatever, and any rights or privileges of any kind over or in respect of any property.

(e) To apply for, register, purchase, or by other means acquire and protect, prove and renew, whether in the United Republic of Tanzania or elsewhere any patents, patent rights, brevets d'invention, licences, secret processes, trade marks, designs, permissions and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire.

(f) To acquire or undertake the whole or any part of the business, goodwill, and assets of any person, firm, or company carrying on or proposing to carry on any of the businesses which the Company is authorized to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company, or for subsidizing or otherwise assisting any such person, firm or company, and to give or accept, by

way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.

- (g) To improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company.
- (h) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.
- (i) To lend and advance money or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company), to enter into guarantees, contracts of indemnity and surety ships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid).
- (j) To borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.
- (k) To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures, and other negotiable or transferrable instruments.
- (l) To apply for, procure, and obtain any licence of authority 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 calculated directly or indirectly to promote the company's interests, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.

- (m) To enter into any arrangements with any government authority (supreme, municipal, local, or otherwise) that may seem conducive to the attainment of the company's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges, and concessions.
- (n) To subscribe for, take, purchase, or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.
- (o) To control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subscription or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies.
- (p) To provide any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.
- (q) To sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, for such consideration as the

Company may think fit, and in particular for shares, debentures, or securities of any company purchasing the same.

- (3) To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts.
- (4) To remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment to him or them of shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.
- (5) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any shares or other securities of the Company.
- (6) To support and subscribe to any charitable or public object and to support and subscribe to any institution, society, or club which may be for the benefit of the Company or its directors or employees, or may be connected with any town or place where the Company carries on business, to give or award pensions, annuities, gratuities, and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been directors of, or who are or have been employed by, or who are serving or have served the Company, or any company which is a subsidiary of the Company or the holding company of the Company or a fellow subsidiary of the Company or the predecessor in business of the Company or of any such subsidiary, holding or fellow subsidiary company and to the wives, widows, children and other relatives and dependants of such persons; to make payments towards insurance; and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any of such persons and of their wives, widows, children and other relatives and dependants; and to set up, establish, support and maintain profit sharing or share purchase schemes for the benefit of any of the employees of the Company or of any such subsidiary, holding or fellow subsidiary company and to lend money to any such employees or to trustees on their behalf to enable any such purchase schemes to be established or maintained.

- (5) To distribute among the members of the Company in kind any property of the Company of whatever nature.
- (6) To procure the Company to be registered or recognized in any part of the world.
- (7) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others.
- (8) To do all such other things as may be deemed incidental or conducive to the attainment of the company's objects or any of them.

AND so that:

- (i) None of the objects set forth in any sub-clause of this clause shall be restrictively construed but the widest interpretation shall be given to each such object, and none of such objects shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such sub-clause, or by reference to or inference from the term of any other sub-clause of this clause, or by reference to or inference from the name of the Company.
- (ii) None of the sub-clauses of this clause and none of the objects therein specified shall be deemed subsidiary or ancillary to any of the objects specified in any other such sub-clause, and the Company shall have as full a power to exercise each and every one of the objects specified in each sub-clause of this clause as though such such sub-clause contained the objects of a separate Company.
- (iii) The word 'Company' in this clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether domiciled in the United Republic of Tanzania or elsewhere.

- X. The liability of the members is limited.

4. The Company's share capital is US\$ 30,000,000= (divided into 3000 Ordinary shares of US\$ 10,000= each).
5. We, the undersigned whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Names, Postal Address Occupation of Subscribers	Number of Shares taken by each	Signature of Subscribers
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1. Jeffrey Stevenson  
One Island Road Hye, New York 10980, USA  
Businessman

1,000

2. Hassan Sahbi  
P.O BOX 4513  
3044 Janda Avenue, Oysterbay,  
DAR ES SALAAM  
Engineer

1,000

3. Christopher Stevenson  
P.O BOX 4513  
512 Madani Road, Oysterbay,  
DAR ES SALAAM  
Businessman

1,000

Dated this 10<sup>th</sup> day of November, 2008.

WITNESS to the above signatures

Signature:  
Postal Address:

P. O. Box 11672  
DAR ES SALAAM  
RWANDA

Qualification:



THE COMPANIES ACT OF 2002

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION  
OF  
AZURA BEACH CLUB LIMITED

TABLE A EXCLUDED

1. The regulations in Table A in the First Schedule to the Companies Act of 2002 shall not apply to the Company, except in far as the same are required or provided in these Articles.

INTERPRETATION

2. In these Articles, unless the subject or context otherwise requires, the words standing in the first column of the table hereinafter contained shall have the meanings set opposite to them respectively in the second column thereof:

WORDS

MEANINGS

The Act	The Companies Act of 2002 and every statutory modification and re-enactment thereof for the time being in force.
These Articles	These Articles of Association as originally framed or as altered from time to time by Special Resolution.
The Directors	The directors for the time being of the Company.
The Office	The registered office for the time being of the Company.

Tanzania

Means the Mainland of the United Republic of Tanzania.

**Redeemable Securities**

Means: (a) shares in the company other than shares shown in the memorandum to have been taken by the subscribers to it or shares allotted in pursuance of an employees' share scheme; and

(b) any right to subscribe for or to convert any security into shares in the company (other than shares so allotted).

3. Unless the context otherwise requires, words or expression contained in these regulations and in the regulations of Table A that apply to this company bear the same meaning as in the Deeds but excluding any contrary modification of it and in force when these regulations become binding on the company; words importing the singular only shall include the plural and vice versa, words importing the masculine gender shall include also corporations.

4. The headings in these regulations are for convenience only and shall be ignored in ascertaining the language or meaning of the Articles. Regulation 1 of Table A shall apply as amended.

**SHARES**

1. The initial share capital of the Company is Tshs. 30,000,000 (= divided into 3000 Ordinary shares of Tshs. 10,000 = each).

4. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by Ordinary Resolution determine.

5. Subject to the provisions of the Act, any preference shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are, or at the option of the Company are liable to be, redeemed on such terms and in such manner as the Company before the issue of the shares may by Special Resolution determine.
6. The Company is a private company and accordingly:
- (a) No invitation or offer shall be made to the public (whether for cash or otherwise) to subscribe for any shares in or debentures of the Company, nor shall the Company list or agree to list (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of the those shares or debentures being offered for sale to the public.
  - (b) The shares shall not be transferrable except in accordance with the manner prescribed by these Articles.
  - (c) The number of members of the company shall be limited to fifty, (not including persons who are in the employment of the company and persons who, having been formerly in the employment of the company, were while in that employment, and have continued after the determination of that employment to be, members of the company).
7. The Company may pay to any person a commission in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company: Provided that such commission shall not exceed (i) per cent of the price at which such shares are issued, or an amount equivalent to such percentage.

8. (a) The Directors may subject to Article 47 hereof allot, grant options over, or otherwise deal with or dispose of any relevant securities of the Company to such persons and generally on such terms and conditions as the Directors think proper.
- (b) The general authority conferred by paragraph (a) of this Article shall be conditional upon due compliance with Article 47 hereof and shall extend to the amount of the authorized share capital of the Company upon its incorporation.
- (c) The Directors shall be entitled under the general authority conferred by paragraph (a) of this Article to make at any time before the expiry of such authority any offer or agreement which will or might require relevant securities of the Company to be allotted after the expiry of such authority.
9. If two or more persons are registered as joint holders of any share, any one of such persons may give effectual receipts for any dividends or other moneys payable in respect of such share.
10. No person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or required to recognize any equitable, contingent, future or partial interest in any share or any right whatsoever in respect of any share other than an absolute right to the entirety thereof in the registered holder, except as by these Articles otherwise expressly provided or as required by law.
11. Every member shall be entitled, without payment, to receive within two months after allotment or lodgment of transfer (unless the conditions of issue provide for a longer interval) one certificate (under the Company's common seal) or (for all the shares registered in his name, specifying the number and (where necessary) denoting numbers of the shares in respect of which it is issued and the amount

paid up thereon; Provided that in the case of joint holders the Company shall not be bound to issue more than one certificate to all the joint holders, and delivery of such certificate to any one of them shall be sufficient delivery to all. Every certificate shall be signed by one Director and countersigned by the Secretary or by an assistant or deputy Secretary. Where parts only of the shares comprised in a certificate are transferred, the number transferring shall be certified without payment in a certificate for the balance thereof.

12. If any share certificate shall be defaced, worn out, destroyed or lost, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company investigating the evidence as the Directors shall require but otherwise free of charge and (in case of defacement or wearing out) on delivery up of the old certificate.

#### LIEN

13. The Company shall have a first and paramount lien upon all shares (whether fully paid or not) registered in the name of any member, either alone or jointly with any other person, for his debts, liabilities and engagements, whether solely or jointly with any other person, in or with the Company, whether the period for the payment, fulfillment or discharge thereof shall have actually arrived or not, and such lien shall extend to all dividends from time to time declared in respect of such shares. But the Directors may at any time declare any share to be exempt, wholly or partially, from the provision of this Article.
14. The Directors may sell the shares subject to any such lien at such time or times and in such time or times and in such manner as they think fit, but no sale shall be made until such time as the member in respect of which such lien exists or some part thereof are or is presently payable of the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, and until a demand and notice in writing stating the amount due to specifying the liability or

engagement and demanding payment or fulfillment or discharge thereof and giving notice of intention to sell in default shall have been served on such member or the persons (if any) entitled by transmission to the shares, and default in payment, fulfillment or discharge shall have been made by him or them the fourteen days after such notice.

15. The net proceeds of any such sale shall be applied in or towards satisfaction of the amount due to the Company, or of the liability or engagement, as the case may be, and the balance (if any) shall be paid to the member or the persons (if any) entitled by transmission to the shares so sold.
16. Upon any such sale as aforesaid, the Directors may authorize some person to execute an instrument of transfer of the shares sold to the purchaser and may enter the purchaser's name in the register as holder of the shares, and the purchase money, nor shall his title to the shares be affected by irregularity or invalidity in proceedings in reference to the sale.
17. No member shall be entitled to receive any dividend or to exercise any privilege as a member until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).

#### **CALLS ON SHARES**

18. The Directors may, subject to the provisions of these Articles, from time to time make such calls upon the members in respect of all moneys unpaid on their shares as they think fit, provided that fourteen days' notice at least is given of each call and each member shall be liable to pay the amount of every call so made upon him to the persons, by the instalments (if any) and at the times and places appointed by the Directors.

19. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed.
20. The joint holders of a share shall be jointly and severally liable for the payment of all calls and installments in respect thereof.
21. If before or on the day appointed for payment thereof a call or installment payable in respect of a share is not paid, the person from whom the same is due shall pay interest on the amount of the call or installment at such rate not exceeding 30 per cent, per annum as the Directors shall fix from the day appointed for payment thereof to the time of actual payment, but the Directors may waive payment of such interest wholly or in part.
22. Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date, whether on account of the amount of the share or by way of premium, shall for all purposes of these Articles, be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment the provisions of these Articles as to payment of interest and expenses, forfeiture and the like, and all other relevant provisions of these Articles, shall apply as if such sum were a call duly made and notified as hereby provided.
23. The Directors may, from time to time, make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and in the time of payment of such calls.
24. The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys due upon his shares beyond the sums actually called up thereon, and upon the moneys so paid in advance, or so much thereof as exceeds the amount for the time being called up on the shares in respect of which such advance has been made, the Directors may pay or allow such interest as may be agreed between them and such member, in addition to the

dividend payable upon such part of the share in respect of which such dividend has been made as is actually called up.

## TRANSFER OF SHARES

25. Subject to the restrictions of these Articles, shares shall be transferable, but every transfer must be in writing and must be left at the registered office, accompanied by the certificate of the shares to be transferred and such other evidence (if any) as the Directors may require to prove the title of the transferring transferee.
26. The instrument of transfer of a share shall be executed by the transferor and, when the share is not fully paid, by the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof.
27. Any share may be transferred at any time by a member to his or her father or mother, or to any lineal descendant of such father or mother, or to his or her wife or husband, and any share of a deceased member may be transferred by his executor or administrators to the widow or widower (if any such relative as aforesaid of such deceased member, being a *cestui que trust* or specific legatee thereof, and shares standing in the name of any deceased member may be transferred to or placed in the names of the executor or trustee of his will, and upon any change of trustee may be transferred to the trustee for the time being of such will. A share may (subject as aforesaid) at any time be transferred to any member of the Company.
28. No share shall in any circumstances be issued or transferred to any infant, bankrupt or person of unsound mind.
28. (1) Save as provided in Article 27, no share shall be transferred to any person who is not a member of the Company so long as any member is willing to

purchase the same at the fair value (as hereinafter defined), which shall be determined as hereinafter provided.

- (2) In order to ascertain whether any member is willing to purchase a share at the fair value, the person, whether a member of the Company or not, proposing to transfer the same (hereinafter called "the retiring member") shall give a notice in writing (hereinafter described as a "sale notice") to the Company that he desires to transfer the same. Every sale notice shall specify the number of the shares which the retiring member desires to transfer, and shall constitute the Company the agent of the retiring member for the sale of such shares to any number of the Company at the fair value. No sale notice shall be withdrawn except with the sanction of the Directors.
- (3) Forthwith upon receipt by the Company of any sale notice the Company shall direct the Auditors for the time being of the Company to certify the fair value of the shares comprised in such sale notice in accordance with sub-paragraph (4) hereof.
- (4) The fair value of the shares for the purposes of this Article shall be such price as shall be certified in writing by the Auditors of the Company for the time being as being, in their opinion, the fair value of the said shares and in so certifying the Auditors shall pay no regard as to whether the shares comprised in such sale notice form part of a majority or minority holding in the Company. In carrying out the obligations created by this Article the Auditors shall be considered to be acting as experts and not as arbitrators, and in so determining the fair value of the shares their decision shall be final and binding.
- (5) If the Directors within twenty-eight days after the receipt by the Company of the certificate of the Auditors of the fair value of the shares specified in

the said notice find a member willing to purchase any share comprised therein (hereinafter described as a "purchasing member") and shall give notice thereof to the retiring member, the retiring member shall be bound upon payment of the fair value to transfer the share to such purchasing member. The Directors shall, with a view to finding a purchasing member, offer any shares comprised in the Company as nearly as may be in the proportion to their holdings of shares in the Company, and shall limit a time within which such offer if not accepted will be deemed to have been declined, and the Directors shall make such arrangements as regards the finding of a purchasing member for any shares not accepted by a member to whom they shall have been so offered as aforesaid within the time so limited as they shall think just and reasonable.

- (6) In the event of the retiring member failing to carry out the sale of any shares which he shall have become bound to transfer as aforesaid, the Directors may authorize some person to execute a transfer of the shares to the purchasing member and may give a good receipt for the purchase price of such shares, and may register the purchasing member as holder thereof and issue to him a certificate for the same, and thereupon the purchasing member shall become indefeasibly entitled thereto. The retiring member shall in such case be bound to deliver up his certificate for the said purchase price, without interest, and if such certificate shall comprise any shares which he has not become bound to transfer as aforesaid the Company shall issue to him a balance certificate for such shares.
- (7) If the Directors shall not, within the space of twenty-eight days after receipt by the Company of the certificate of the Auditor referred to in sub-paragraph (5) above, find a purchasing member for all or any of the shares comprised in the said notice and give notice to the retiring member in the manner aforesaid, or if, through no default of the retiring member, the purchase of any share in respect of which such last mentioned notice

shall be given shall not be completed within twenty-one days from the service of such notice, the retiring member shall at any time within six months thereafter be at liberty, subject to Article 30, to sell and transfer the shares comprised in his sale notice (or such of them as shall not have been sold to a purchasing member) to any person and at any price.

30. The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share whether or not it is a fully paid share, but such right of refusal shall not be exercisable in the case of any transfer made pursuant to Article 27.
31. If the Directors refuse to register a transfer of any share 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, as required by the Act.
32. The registration of transfers may be suspended and the register of members closed during the fourteen days immediately preceding every Annual General Meeting of the Company, and at such other times (if any) and for such period as the Directors may from time to time determine, provided always that the register shall not be closed for more than thirty days in any year.

#### TRANSMISSION OF SHARES

33. In the case of the death of a member, the survivors or survivor, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder, shall be the only persons recognized by the Company as having any title to his shares, but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him.

34. Any person becoming entitled to a share in consequence of the death or bankruptcy of any member may, upon producing such evidence of title as the Directors shall require, be registered himself as holder of the share, or, subject to the provisions as to transfers herein contained (which shall apply as if the death or bankruptcy of the member had not occurred) transfer the same to some other person.
35. A person entitled to a share by transmission shall be entitled to receive, and may give a discharge for, any dividends or other monies payable in respect of the share, but he shall not be entitled in respect of it to receive notice of, or to attend or vote at meetings of the Company or, save as aforesaid, to exercise any of the rights or privileges of a member, unless and until he shall become a member in respect of the share.

#### FORFEITURE OF SHARES

36. If any member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for the payment thereof, the Directors may at any time thereafter, during such time as the call or instalment or any part thereof remains unpaid, serve a notice on him or on the person entitled to the share by transmission requiring him to pay such call or instalment, or such part thereof as remains unpaid, together with interest at such rate not exceeding 10 per cent. per annum as the Directors shall determine, and any expenses that may have accrued by reason of such non-payment.
37. 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 such call or instalment, or such part as aforesaid, and all interest and expenses that have accrued by reason of such non-payment, are to be paid. It shall also name the place where payment is to be made, and shall state that, in the event of non-payment at or before the

time and at the place appointed, the shares in respect of which such call was made will be liable to be forfeited:

38. If the requisitions of any such notice as aforesaid are not complied with, any share in respect of which such 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. A forfeiture of shares shall include all dividends in respect of the shares not actually paid before the forfeiture, notwithstanding that they shall have been declared.
39. When any share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be given to the holder of the share or to the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof, shall forthwith be made in the register of members opposite to the share; but the provisions of this Article are directory only, and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
40. Notwithstanding any such forfeiture as aforesaid, the Directors may, at any time before the forfeited share has been otherwise disposed of, annul the forfeiture, upon the terms of payments of all calls and interest due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit.
41. Every share which shall be forfeited may be sold, re-allocated, or otherwise disposed of, either to the person who was before forfeiture the holder thereof, or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and the Directors may, if necessary, authorize some person to transfer the same to such other person as aforesaid.

42. A shareholder whose shares have been forfeited shall, notwithstanding, be liable to pay to the Company all calls made and not paid on such shares at the time of forfeiture, and interest thereon to the date of payment, in the same manner in all respects as if the shares had not been forfeited, and to satisfy all (if any) the claims and demands which the Company might have enforced in respect of the shares at the time of forfeiture without any deduction or allowance for the value of the shares at the time of forfeiture.
43. The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share, and all other rights and liabilities incidental to the share as between the shareholder whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Act given or imposed in the case of joint members.
44. A statutory declaration in writing that the declarant is a Director of the Company, and that a share has been duly forfeited in pursuance of these Articles, and stating the date upon which it was forfeited shall, as against all persons claiming to be entitled to share adversely to the forfeiture thereof, be conclusive evidence of the facts therein stated, and such declaration shall constitute a good title to the share, and (subject to the execution of any necessary transfers) such person shall be recognised as the holder of the share and shall be discharged from all calls made prior to such sale or disposition 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 omission or irregularity relating to or connected with the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

#### **ALTERATIONS OF CAPITAL.**

45. The Company may from time to time by Ordinary Resolution:-

- (A) consolidate and divide its share capital into shares of larger amount than its existing shares, or
- (B) cancel any shares not 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;
- (C) divide its share capital or any part thereof into shares of smaller amounts than is fixed by its Memorandum of Association by sub-division of its existing shares or any of them, subject nevertheless to the provisions of the Act;

and by Special Resolution:-

- (D) reduce its share capital or any capital redemption reserve or share premium account in any manner authorized and subject to any conditions prescribed by the Act.
46. (1) The Company in General Meeting may from time to time whether all the shares for the time being authorized shall have been issued or all the shares for the time being issued shall have been fully called up or not, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and (subject to any special rights for the time being attached to any existing class of shares) to carry such preferential, deferred or other special rights (if any), or to be subject to such conditions or restrictions (if any), in regard to dividend, return of capital, voting or otherwise, as the General Meeting resolving upon such increase directs.
- (2) Subject to the provisions of the Act the Company may: -
    - (i) issue shares, which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholder on such terms and in such manner as shall satisfy the conditions in the Act;

- (ii) purchase its own shares (including any redeemable shares);
- (iii) make a payment in respect of any such redemption or purchase of any of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

47. Subject to any direction to the contrary that may be given by the Company in General Meeting all shares authorized pursuant to Article 8 hereof to be allotted shall be offered to the members in proportion to the existing shares held by them and such offer shall be made by notice in writing specifying the number of the shares to which the number is entitled and limiting a time (being not less than 21 days) within which the offer if not accepted will be deemed to have been declined, and after the expiry of such time or upon receipt of an intimation from the member to whom such notice is given that he declines to accept the shares offered, the Directors may, subject to these Articles, allot or otherwise dispose of the same to such persons and upon such shares as aforesaid which, by reason of the proportion borne by them to the number of persons entitled to any such offer as aforesaid or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered in manner heretofore provided.
48. Except so far as otherwise provided by or pursuant to these Articles or by the conditions of issue, any new share capital shall be considered as part of the original ordinary share capital of the Company, and shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the original share capital.

#### **MODIFICATION OF RIGHTS**

49. Subject to the provisions of the Act if at any time the share capital of the Company is divided into different classes of shares, the rights or privileges for the time being attached to any class of shares may (notwithstanding that the Company

may be or be about to be in liquidation) be varied or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class. To any such separate general meeting all the provisions of these Articles relating to General Meetings shall apply provided always that the necessary quorum at any such meeting other than an adjourned meeting shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question and at an adjourned meeting one person holding shares of the class in question or his proxy and provided that any holder of shares of the class in question present in person or proxy may demand a poll.

### GENERAL MEETINGS

30. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting so held in the notices calling it, and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.

Provided that so long as the Company shall hold its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place, as the Directors shall appoint.

31. All general meetings other than annual general meetings shall be called extraordinary general meetings.
32. 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 requisition, as provided by the Act.

## NOTICE OF GENERAL MEETINGS

33. Every general meeting shall be called by twenty-one days notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of the meeting and the nature of any special business that is to be transacted, and 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. Provided that a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in these provisions, be deemed to have been duly called if it is so agreed -
- (a) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
  - (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving the right.
34. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings of that meeting.

## PROCEEDINGS AT GENERAL MEETINGS

35. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and all that is transacted at an Annual General Meeting shall also be deemed special, with the exception of declaring a dividend, the consideration of the accounts and balance sheets and the reports of the Directors and Auditors, and

any other documents accompanying or annexed to the balance sheets, the election of Directors in place of those retiring and the appointment and fixing of the remuneration of the Auditors.

56. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Save as herein otherwise provided, two members present in person or by proxy shall be a quorum.
57. If within half an hour from the time appointed for the holding of a General Meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Directors may determine and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be a quorum.
58. The Chairman (if any) of the Board of Directors shall preside at every General Meeting, but if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same, or shall be present but unwilling to act as Chairman, the members present shall choose some Director, or if no Director be present, or if all the Directors present decline to take the chair, they shall choose some member present to be Chairman of the Meeting.
59. The Chairman of any meeting at which a quorum is present may, with the consent of the meeting, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for fourteen days or more, notice of the adjourned meeting shall be given in the same manner as in the case of an original meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at an adjourned meeting. No

business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

60. At all General Meetings a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or upon the declaration of the result of the show of hands a poll be demanded by the Chairman or by at least two persons for the time being entitled to vote at the meeting, or by a member or members representing one-tenth of the total voting rights of all the members having the right to vote at the meeting, or by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right, and unless a poll be so demanded a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minute book of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such a resolution. The demand for a poll may be withdrawn.
61. Subject as provided in Article 62, if a poll be demanded in manner aforesaid, it shall be taken in such manner, as the Chairman shall direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
62. No poll shall be demanded on the election of a Chairman of a meeting, or on any question of adjournment.
63. In the case of any equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote in addition to any other vote he may have.

64. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business, other than the question on which a poll has been demanded.

#### VOTES OF MEMBERS

65. 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.
66. A member in respect of whom an order has been made by any Court having jurisdiction (whether in Tanzania or elsewhere) in matters concerning mental disorder may vote whether on a show of hands or on a poll by his receiver, curator bonis or other person authorized in that behalf appointed by that Court, and such last-mentioned persons may give their votes either personally or by proxy.
67. If two or more persons are jointly entitled to a share, then in voting upon any question 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 holders of the share, and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
68. Save as herein expressly provided, no member other than a member duly registered who shall have paid everything due at the time being due from and payable to the Company in respect of his shares shall be entitled to vote on any question either personally or by proxy, or to be reckoned in a quorum, at any General Meeting.

69. Votes may be given either personally or by proxy. On a show of hands a member (other than a corporation) present only by proxy shall have no vote, but a proxy for or representative of a corporation may vote on a show of hands. A proxy need not be a member.
70. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing, or if such appointer is a corporation under its common seal, if any, and, if none, then under the hand of some officer duly authorized in that behalf. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or consent in demanding a poll on behalf of the appointer.
71. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed or a notarially certified or office copy thereof, shall be deposited at the office at least forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, or in the case of a poll not less than twenty-four hours before the appointed for taking the poll and in default the instrument or proxy shall not be treated as valid.
72. Any instrument appointing a proxy shall be in the following form with such variations (if any) as circumstances may require or the Directors may approve: -

**AZURA BEACH CLUB LIMITED**

I, \_\_\_\_\_  
 of \_\_\_\_\_, a member of

**AZURA BEACH CLUB LIMITED**

Thereby appoint \_\_\_\_\_

of \_\_\_\_\_  
 to vote for me and on my behalf at the [Annual,  
 Extraordinary or Adjourned, as the case may be]

"General Meeting of the Company to be held

"on the            day of            and at

"every adjournment thereof.

"As witness my hand this    day of    20...."

73. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chairman whose decision shall be final and conclusive.

74. A vote given or poll demanded by proxy or by the duly authorized representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the Registered Office before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

75. Subject to the provisions of the Act, a resolution in writing signed by all the members (in the time being entitled to receive notice of and to attend and vote at General Meetings (or being corporations by their duly authorized representatives) shall be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

## DIRECTORS

76. Unless and until otherwise determined by the Company in General Meeting, the number of the Directors shall not be less than two or more than five. The first

Directors of the Company shall be as named in the particulars delivered to the Registrar of Companies pursuant to the provisions of the Act.

77. The Directors shall have power from time to time and at any time to appoint any person who is willing to be a Director, either to fill a vacancy or as an additional Director. A Director so appointed shall hold office only until the next Annual General Meeting and shall not be taken into account in determining the Directors who are to retire by rotation at the Meeting, but shall be eligible for re-election at that Meeting.
78. The remuneration of the Directors shall from time to time be determined by the Company in General Meeting. Unless otherwise directed by the resolution by which it is voted, any such remuneration shall be divided amongst the Directors as they may agree, or, failing agreement, equally. The Directors shall also be entitled to be repaid all travelling, hotel and other expenses properly incurred by them respectively in or about the performance of their duties as Directors, including their expenses of travelling to or from Board Meetings. If by arrangement with the other Directors any Director shall perform or render any special duties or services outside his ordinary duties as a Director, the Directors may pay him special remuneration, in addition to his ordinary remuneration, and such special remuneration may be by way of salary, commission or participation in profits, or by any or all of those modes, or otherwise as may be arranged.
79. The office of a Director shall be vacated
- (A) if he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director.
- (B) If a receiving order is made against him or he makes any arrangement or composition with his creditors.

- (C) If he becomes of unsound mind and either he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Diseases Act (Cap. 98) or an order is made by a Court having jurisdiction (whether in the Tarranis or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs.
- (D) If he absents himself from the meetings of the Board during a continuous period of six months without special leave of absence from the Directors, and they pass a resolution that he has by reason of such absence vacated his office.
- (E) If by notice in writing given to the Company he resigns his office.

#### **MANAGING DIRECTORS AND EXECUTIVE DIRECTORS**

- 80. (A) The Directors may from time to time appoint any one or more of their body to be Managing Director or to any other executive office under the Company (hereinafter referred to as an "Executive Director") and, subject to the provisions of the Act, for such period and upon such terms as they think fit, and may vest in such Managing Director or Executive Director such of the powers hereby vested in the Directors generally as they may think fit, and such powers may be made exercisable for such period or periods and upon such condition and subject to such restrictions, and generally such terms as to remuneration and otherwise as they may determine. The remuneration of such Managing Director or Executive Director may be made payable by way of salary or commission or participation in profits, or by any or all of those modes or otherwise as may be thought expedient, and it may be made a term of any such

- (C) If he becomes of unsound mind and either he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Diseases Act (Cap. 98) or an order is made by a Court having jurisdiction (whether in the Tanzania or elsewhere) in matters concerning mental disorder for his detention, or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs.
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- (E) If by notice in writing given to the Company he resigns his office.

#### **MANAGING DIRECTORS AND EXECUTIVE DIRECTORS**

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appointment (but he shall receive a pension, gratuity or other benefit on his retirement).

- (b) A Managing Director and any Executive Director shall not, while he continues to hold that office, be subject to retirement by resolution, and he shall not be taken into account in determining the rotation of retirement of Directors or the number of Directors to retire, but he shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of Director he shall ipso facto and immediately cease to be a Managing Director or Executive Director (as the case may be).

#### **POWERS AND DUTIES OF DIRECTORS**

81. The business of the Company shall be managed by the Directors, who may pay all such expenses of and preliminary and incidental to the promotion, formation, establishment and registration of the Company as they think fit, and may exercise all such powers of the Company, and do on behalf of the Company all such acts as may be exercised and done by the Company, and as are not by the Act or these Articles required to be exercised or done by the Company in General Meeting, subject nevertheless to any regulations of these Articles, to the provisions of the Act to any directions given by special resolution but no alteration of the Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if such alteration had not been made or that direction had not been given.
82. The Directors may borrow or raise from time to time for the purposes of the Company or secure the payment of such sums as they think fit, and may secure the repayment or payment of any such sums by mortgage or charge upon all or any of the property or assets of the Company or subject (in the case of any

security convertible into shares) to the provisions of Article 5, by the issue of debentures, debenture stock and other securities as they may think fit: (Provided that the amount for the time being remaining undischarged of moneys borrowed, raised or secured by the Directors shall not at any time exceed (twice the nominal amount of the issued share capital for the time being of the Company) without the sanction of the Company in General Meeting; but no lender shall be bound to see that this limit is observed.)

83. Subject to the provisions of the Act, the Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director or former Director who has held any executive office or employment with the Company or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.
84. The continuing Directors may act at any time notwithstanding any vacancy in their body; provided always that in case the Directors shall at any time be reduced in number to less than the minimum number prescribed by or in accordance with these Articles, it shall be lawful for them to act as Directors for the purpose of filling up vacancies in their body, or of summoning a General Meeting of the Company, but not for any other purpose.
85. (A) Subject to the provisions of the Act a Director notwithstanding his office may contract with, be a party to, or otherwise be interested in any contract or proposed contract or arrangement with the Company or in which the company is otherwise interested and shall not be liable to account for any profit or other benefit derived by him by reason of any such matter and no such contract, proposed contract, transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit: Provided that the nature and extent of the interest of the Director be declared at a meeting of the Directors in full compliance with the Act.

- (10) For the purposes of paragraph (A) a general notice given to the Directors at such meeting by a Director to the effect either that he is a member of a specified company or firm and is to be regarded as interested in any contract, transaction or arrangement which may, after the date of the notice, be made with that company or firm, or that he is to be regarded as interested in any contract, transaction or arrangement which may after the date of the notice be made with a specified person who is connected with him shall be sufficient declaration of interest in relation to any such contract, transaction or arrangement.
- (11) A Director may vote at a meeting of the Directors or of a committee of Directors upon any resolution concerning a contract, proposed contract, transaction or arrangement in which he has, whether directly or indirectly, an interest or upon any matter arising therefrom, and if he shall so vote his vote shall be counted and he shall be taken into account in determining whether a quorum is present at such meeting.

#### **ROTATION OF DIRECTORS**

86. There shall be no rotation of Directors.

#### **PROCEEDINGS OF DIRECTORS**

87. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Unless otherwise determined, two shall be a quorum. Questions arising at any meeting shall be decided by a majority of

votes. In case of an equality of votes the Chairman shall have a second or casting vote.

88. The Directors may, and on the request of a Director the Secretary shall, at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from the jurisdiction.
89. The Directors may from time to time elect a Chairman, who shall preside at meetings of the Directors, and determine the period for which he is to hold office, but if no such Chairman be elected, or if at any meeting the Chairman be not present within five minutes after the time appointed for holding the same, the Directors present shall choose someone of their number to be Chairman of such meeting.
90. (A) A Director (other than an alternate Director) may from time to time by notice in writing to the Company appoint any Director or any person approved by his co-Directors to act as an alternate Director at any meeting of the Board from which he is himself absent, and may in like manner remove any person so appointed from office.
- (B) An alternate Director appointed under this Article shall not be entitled to any remuneration from the Company, but he shall be entitled, while holding office as such, to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member and to attend and vote thereat in place of and in the absence of the Director appointing him.
- (C) Such alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director; but if a Director retires by rotation or otherwise but is re-appointed or deemed to have been re-appointed at the

meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his re-appointment.

(D) An alternate Director shall be deemed for all purposes (save for the appointment of an alternate Director under this Article) a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

(E) A person who holds office only as an alternate Director shall, if his appointor is not present, be taken into account in reckoning a quorum at any meeting of the Directors or any committee of the Directors.

91. The Directors may delegate any of their powers to committees consisting of such number 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.

92. A committee may elect a Chairman of its meetings. 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.

93. A committee may meet and adjourn as its members think 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 of the committee shall have a second or casting vote.

94. All acts bona fide done by any meeting of Directors, or of a committee of Directors, or by any person acting as a Director, shall notwithstanding it be afterwards discovered that there was some defect in the appointment or

continuance in office of 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 or had duly continued in office and was qualified to be a Director.

95. The Directors shall cause proper minutes to be made of all General Meetings of the Company and proper records to be kept of all Written Resolutions (and of signatures) and also of all appointments of officers, and of the proceedings of all meetings of Directors and committees, and of the attendances thereat, and of business transacted at such meetings. All such minutes and records (and signatures) shall be entered in books provided for the purpose. Any such record of a Written Resolution (and of the signatures) purporting to be signed by a Director or by the Secretary shall be evidence of the proceedings in agreeing to a Written Resolution and until the contrary is proved the requirements of the Act with respect to those proceedings shall be deemed to be complied with and any such minutes of any such meeting, if purporting to be signed by the Chairman of such meeting, shall be conclusive evidence without any further proof of the facts therein stated.
96. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors or of a committee of Directors shall be as valid and effective for all purposes as a resolution passed at a meeting of the Directors or (as the case may be) a committee of Directors duly convened, held and constituted and may consist of several documents in the like form each signed by one or more Directors.

#### THE COMMON SEAL

97. The Company's common seal shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors, and in the presence of at least two Directors or one Director and of the Secretary, and such Director(s) and/or the Secretary, as the case may be, shall sign every instrument to which the

common seal shall be affixed in their presence, and in favour of any purchaser or person bona fide dealing with the Company such signatures shall be conclusive evidence of the fact that the common seal has been properly affixed.

#### SECRETARY

98. 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.
99. No person shall be appointed or hold office as 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;
  - (c) the sole Director of a corporation which is the sole Director of the Company.
100. A provision of the Act or these presents requiring or authorizing 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 both as Director and as, or in place of, the Secretary.

#### DIVIDENDS AND RESERVE FUNDS

101. Subject to any rights or privileges for the time being attached to any shares in the capital of the Company having preferential, deferred or other special rights in regard to dividends, the profits of the Company which it shall from time to time be determined to distribute by way of dividend shall be applied in payment of

dividends upon the shares of the Company in proportion to the amounts paid up thereon respectively otherwise than in advance of calls. If any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

101. Subject to the provisions of the Act, the Company in General Meeting may from time to time declare dividends, but no such dividend shall exceed the amount recommended by the Directors.
102. Subject to the provisions of the Act, the Directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes of shares, the Directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend, as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.
103. With the sanction of a General Meeting, dividends may be paid wholly or in part in specie, and may be satisfied in whole or in part by the distribution amongst the members in accordance with their rights of fully paid shares, stock or debentures or any other property or assets suitable for distribution as aforesaid. The Directors shall have full liberty to make all such valuations, adjustments and arrangements, and to issue all such certificates or documents of title as may in their opinion be necessary or expedient with a view to facilitating the equitable distribution amongst the members of any dividends or portions of dividends to be

satisfied as aforesaid or to giving them the benefit of their proper shares and interests in the property, and no valuation, adjustment or arrangement so made shall be questioned by any member.

104. The Directors may, before recommending any dividend set aside out of the profits of the Company such sums as they think proper to a reserve fund or reserve account, which shall at the discretion of the Directors be applicable for any purpose for which the profits of the Company may lawfully be applied. The Directors may also from time to time carry forward such sums as they may deem expedient in the interests of the Company.
105. The Directors may deduct from any dividend or other monies payable in respect of any shares held by a member, either alone or jointly with any other member, all such sums of money (if any) as may be due and payable by him either alone or jointly with any other person to the Company on account of calls or otherwise in relation to the shares of the Company.
106. Any dividend, installment of dividend or interest in respect of any shares may be paid by cheque or warrant payable to the order of the member entitled thereto, or (in the case of joint holders) of the member whose name stands first on the register in respect of the joint holding.
107. Every such cheque or warrant shall (unless otherwise directed) be sent by post to the last registered address of the member entitled thereto, and the receipt of the person whose name appears on the register of members as the holder of any share, or, in the case of joint holders, of any one of such holders, or of his or their agent duly appointed in writing, shall be a good discharge to the Company for all dividends or other payments made in respect of such share. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

108. No dividend or other moneys payable in respect of a share shall bear interest in respect of the Company unless otherwise provided by the rights attached to the share.
109. Any dividend which has remained unpaid for twelve years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company.

#### CAPITALIZATION OF RESERVES, ETC.

110. The Company in General Meeting may upon the recommendation of the Directors resolve that it is desirable to capitalize any undivided profits of the Company (not being required for the payment or provision of any fixed preferential dividend) standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if the same had been distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion unissued, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution, Provided always that an amount standing to the credit of a share premium account or capital redemption reserve may, for the purposes of this Article, only be applied in the paying up of unissued shares to be allotted to members of the Company as fully paid bonus shares.
111. The Company in General Meeting may upon the 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 reserve account of the Company or its

profit and loss account which is not available for distribution by applying such sum in paying up in full unissued shares to be allotted as fully paid bonus shares to those members of the Company who would have been entitled to that sum if it were distributed by way of dividend and in the same proportions and the Directors shall give effect to such resolution.

112. Whenever a resolution is passed in pursuance of Article 116 or 117 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. Where any difficulty arises in respect of any such distribution the Directors shall settle the same as they think expedient, and in particular they may issue fractional certificates, fix the value for distribution of any fully paid up shares or debentures, make cash payments to any shareholders on the footing of the value so fixed in order to adjust rights, and vest any such shares or debentures in trustees upon such trusts for or for the benefit of the persons entitled to them in the appropriation and distribution as may seem just and expedient to the Directors. When deemed requisite the Directors may authorize any person to enter on behalf of all the members concerned (and in agreement with the Company) providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalization, any agreement made under such authority being binding on all such members.

## ACCOUNTS

113. The Directors shall cause accounting records to be kept in accordance with the provisions of the Act.

114. 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 accounting records of the Company, or any of them, shall be open to the inspection of members, and no member (other than an officer of the Company) shall have any right of inspecting any of the accounting records of the Company except as conferred by the Act authorized by the directors or by a resolution of the Company in General Meeting. The Company's accounting records shall at all times be open to inspection by the officers of the company.

115. The Directors shall from time to time in accordance with the provisions of the Act cause to be prepared and to be laid before the company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as required by the Act.

116. 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 auditors' 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**

117. Once at least in every year the accounts of the Company shall be examined, and the correctness of the profit and loss account and balance sheet ascertained by one or more properly qualified Auditor or Auditors.

118. The appointment, powers, rights, remuneration and duties of the Auditor shall be regulated by the provisions of the Act relating thereto.

#### **NOTICES**

119. Any notice to be given pursuant to these Articles shall be in writing and may be served by the Company upon any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register of members or by leaving it at that address.
120. All notices directed to be given to the members shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the register of members, and any notice so given shall be sufficient notice to the holders of such share.
121. Any member described in the register of members by an address not within Tanzania, who shall from time to time give the Company an address within Tanzania at which notices may be served upon him, shall be entitled to have served upon him at such address any notice to which he would be entitled under these Articles if he had a registered address within Tanzania, but, save as aforesaid, and as provided by the Act, only those members who are described in the register of members by an address within Tanzania shall be entitled to receive notices from the Company.
122. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the Register of Members, has been duly given to a person from whom he derives his title.
123. A notice may be given by the Company to the persons entitled to any 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 of representatives or trustees of such deceased or bankrupt member, at the address (if any) in Tanzania supplied for the purpose by such persons as aforesaid, or (until such an address has been supplied) by giving the notice in the manner in which the same would have been given if the death or bankruptcy had not occurred.

124. Any notice or other document, if served or sent by post, shall be deemed to have been served or delivered at the expiration of 48 hours from the time when the envelope containing the same was posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.

#### WINDING UP

125. 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 Act, divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fit 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 the 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 wherein there is any liability.

#### INDEMNITY

126. Subject to the provisions of the Act but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer or Auditor of the Company shall be indemnified, out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the Court from liability for negligence, default, breach of trust in relation to the affairs of the Company.

Names, Postal Address Occupation of Subscribers	Number of Shares (taken by each)	Signature of Subscribers
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1. Jeffrey Stevenson  
Pine Island Road Rye, New York 10580, USA  
Businessman

1,000

2. Horvath Sebet  
P.O BOX 4513  
194 Uganda Avenue, Gysirubho,  
DARES SALAAM  
Engineer

1,000

3. Christopher Stevenson  
P.O BOX 4513  
312 Madison Road, Gysirubho,  
DARES SALAAM  
Businessman

1,000

Dated this 10<sup>th</sup> day of November, 2009

WITNESS to the above signature:

Signature:

Postal Address:

P.O. Box 11872

DARES SALAAM

Qualification:

ADVOCATE

