

**THE COMPANIES ACT (ACT NO. 12 OF 2002)**

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**COMPANY LIMITED BY SHARES**

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**MEMORANDUM**

**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**XINCHENG SHOES COMPANY LIMITED**

**Incorporated this ..... day of ..... 2024**

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**DRAWN BY:**  
**DIRECTOR: JIALEI LIN**  
**P. O.BOX 77800**  
**DAR ES SALAAM**

## THE COMPANIES ACT 2002

### COMPANY LIMITED BY SHARES

#### MEMORANDUM OF ASSOCIATION OF XINCHENG SHOES COMPANY LIMITED

- 1 The name of the Company is XINCHENG SHOES COMPANY LIMITED.
- 2 The registered office of the Company is to be situated in the United Republic of Tanzania.
- 3 The purpose for which the Company is established is the transaction of any and all lawful business for which companies may be incorporated in the United Republic of Tanzania and the Company shall have powers, and the objects for which the Company is established shall include the powers, (without limitation):
  - 3.1 To manufacture, produce, process, design, and sell footwear, leather goods, carpets, rugs, and other related products.
  - 3.2 To engage in the wholesale and retail distribution of footwear, leather, carpets, rugs, and related products, both domestically and internationally.
  - 3.3 To buy, sell, import, export, and deal in raw materials, semi-finished goods, and finished products relating to the manufacturing of footwear, leather, carpets, and rugs.
  - 3.4 To engage in the business of designing, branding, marketing, and advertising products.
  - 3.5 To establish and operate retail and wholesale outlets for selling footwear, leather products, carpets, rugs, and similar goods.
  - 3.6 To undertake and execute all kinds of construction, renovation, and repair works related to the manufacturing of footwear, leather, carpets, and rugs.
  - 3.7 To acquire or establish factories, workshops, and other facilities for the production of the above-mentioned products.
  - 3.8 To enter into partnerships, joint ventures, and collaborations with other individuals or companies for carrying out the business operations.
  - 3.9 To import and export materials, finished products, and machinery used in the manufacturing of the above products.
  - 3.10 To provide services related to the repair, maintenance, and customization of footwear, leather, carpets, and rugs.
  - 3.11 To undertake any other lawful business activities as may be necessary or incidental to the above objects.
  - 3.12 to engage in purchasing and trading in agricultural products from third party

- suppliers for selling within and outside of Tanzania;
- 3.13 to transport processed and raw agricultural products and all other goods within and outside of Tanzania;
  - 3.14 to carry on business as a general commercial company; and, without limitation to the generality of the foregoing;
  - 3.15 to enter into any arrangements and contracts with any Government or authorities supreme, municipal, local or otherwise or any corporations, companies or persons (including quasi-governmental bodies and bodies owned by any government) and to obtain from any such Government, authority, corporation, company or persons any contracts, decrees, rights, privileges and concessions;
  - 3.16 to buy, own, hold, subdivide, lease, sell, rent, prepare building sites, construct, reconstruct, alter, improve, decorate, furnish, operate, maintain, reclaim or otherwise deal with and/or develop land and buildings and otherwise deal in real estate in all its branches, to make advances upon the security of land or houses or erection and whether on first mortgage or charge or subject to a prior mortgage or mortgages or charge or charges, and to develop land and buildings as may seem expedient but without prejudice to the generality of the foregoing;
  - 3.17 to improve, manage, develop, exchange mortgage, let or rent or in consideration of share of profits, either in money or kind otherwise grant license, easements and other rights of and over and in any manner dispose of the property and rights of the Company;
  - 3.18 to carry on the business of an investment company and for that purpose to acquire (by original subscription, contract, tender, purchase or exchange underwriting) and to hold, in the name of the Company or of any nominee, share stock, debentures, debenture stock, bonds, notes, obligations or securities, and to subscribe for the same subject to such terms and conditions (if any) as may be thought fit;
  - 3.19 to exercise and enforce all rights and powers conferred by or incident to the ownership of any such shares, stock, obligations or other securities, including, without prejudice to the generality of the foregoing, all such powers of veto or control as may be conferred by virtue of the holding by the Company of some special proportion of the issued or nominal amount thereof, and to provide managerial and other executive supervisory and consultancy services for or in relation to any company in which the Company is interested upon such terms as may be thought fit;
  - 3.20 to provide administrative, financial and other services and facilities for any company in which the Company is interested, or for any other persons;
  - 3.21 to purchase or otherwise acquire and undertake the whole or any part of the business properties and liabilities of any persons, firms (or partnerships), societies or companies carrying on any business which the Company is authorised to carry on, or possesses property suitable for the purposes of the Company, and to conduct and carry on, or liquidate and wind up any such business;

- 3.22 to sell or dispose of the undertaking or any property or assets of the Company for such consideration as may be thought fit, including the share or loan capital or other obligations of any body corporate;
- 3.23 to guarantee, grant indemnities in respect of, support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by both such methods, the performance of the contracts or obligations and the repayment or payment of the principal and premium of and interest and dividends on any securities or obligations of any company whether having objects or engaged or intending to engage in business similar to those of the Company or not, notwithstanding the fact that the Company may not receive any consideration or advantage, direct or indirect, from entering into any such guarantee or other arrangement or transaction contemplated herein;
- 3.24 to borrow and raise money and to secure or discharge any debt or obligation of, or binding on, the Company in such manner as may be thought fit and in particular by mortgages and charges upon all or any part of the undertaking, property and assets (present and future) and the uncalled capital of the Company, or by the creation and issue of debentures, debenture stock or other securities of any description;
- 3.25 to commence, establish, develop and carry on the business of traders, consumers, suppliers, general merchants, importers, exporters, stockists, wholesalers, retailers and dealers of any kind, nature or description, and to buy, sell, hire, let, manufacture, import, prepare for market, barter trade exchange and generally deal in all types of services, products or properties (whether movable or immovable, goods, agricultural products, articles and merchandise of all kinds) and to transact in any and every description of mercantile, insurance and financial business;
- 3.26 to purchase, sell, exchange, lease, manage, hold, trade, invest in all kinds of movable or immovable property, merchandise, commodities, effects, products, services of any kind, nature or description, to carry out any type of commercial or financial operation, to receive and/or pay royalties, commissions and other income or outgoing of any kind, to purchase, construct, charter, own, operate, manage and administer transport vessels of any kind and their appurtenances and related services and agencies, to sell or render related services and employ the necessary personnel therefore;
- 3.27 to establish or promote, or join in the establishment or promotion of, any other company for the purpose of acquiring all or any of the property, assets and liabilities of the Company, or the promotion of which may seem directly or indirectly calculated to advance the interests of and benefits of the Company;
- 3.28 to amalgamate or enter into partnership (whether perpetual or terminable) or into any arrangement for sharing profit, unions of interest, joint ventures, reciprocal concession or cooperation with any person, firm, association or group of persons carrying on or engaged in or about to carry on or engage in or in the transaction or cause of action which may seem to

the Company capable of being conducted so as directly or indirectly benefit the Company or to prevent or minimize apprehended loss, damage or cost to the Company or to such person, firm, society, association or group of persons and to purchase subscription for or, otherwise acquire and hold shares (fully or partly paid up) or stock in society, association or group of persons, and to sell, hold, reissue with or without guarantee or otherwise deal with such shares, stock or securities;

- 3.29 to buy, sell, underwrite, invest in, exchange or otherwise acquire, and to hold, manage, develop, deal with and turn to account any bonds, debentures, shares (whether fully paid or not), stock options, commodities, futures, forward contracts, notes or securities of governments, states, municipalities, public authorities or public or private limited or unlimited companies in any part of the world, precious metals, gems, works of art and other articles of value, and whether on a cash or margin basis and including short sales, and to lend money against the security of any of the aforementioned property;
- 3.30 to acquire by subscription, purchase or otherwise, and to accept and take, hold and sell, shares or stock in any company, society or undertaking, the objects of which shall either in whole or part, be similar to those of the Company or such as may be likely to promote or advance, the interests of the Company;
- 3.31 to design, manufacture and deal in any materials, articles or components, and to provide any services, which may be required for the purposes of a business of any description within the Company's objects, or which may be conveniently or advantageously made or supplied in connection with it;
- 3.32 to provide administrative, financial and other services and facilities for any company in which the Company is interested, or for any other persons;
- 3.33 to borrow and raise money (from lenders including, but not restricted to, banks), whether such borrowings are secured or unsecured, upon such terms as the Company shall think fit including by the issue of debentures or debenture stock;
- 3.34 to engage in any other business or businesses whatsoever, or in any act or activity, which may seem to the Company capable of being conveniently carried on in connection with the above objects or calculated directly, or indirectly, to enhance the value of or render profitable any of the Company's property or rights and which are not prohibited under any law for the time being in force in the United Republic of Tanzania and the jurisdiction in which they are engaged in;
- 3.35 to do all or any of the above things either alone or as a member of a joint venture, partnership, trading group or consortium, and in any part of the world;
- 3.36 to do all or any of the above acts and things as principals, agents, contractors, trustees or otherwise alone or in conjunction with others as are incidental or conducive to the attainment of the above objects;
- 3.37 to carry on any other activity and do anything of any nature which may

seem to the directors capable of being conveniently carried on or done by the Company in connection with the above, or may seem to the directors calculated directly or indirectly to benefit the Company,

**and it is hereby declared that:**

- 3.38 the word 'company' in this clause shall, except where used in reference to the Company, be deemed to include any partnership or other body of persons (whether corporate or unincorporated and whether domiciled in the United Republic of Tanzania or elsewhere);
- 3.39 Any conflict between this Memorandum of Association and the Shareholders Agreement, the Shareholders Agreement shall supersede/take precedence.
- 3.40 save as is expressly provided, the objects specified in each sub-clause of this clause:
  - (a) shall be regarded as independent objects and shall in no way limited or restricted by reference to or inference from the terms of any other sub-clause or the order in which such objects are stated or the name of the Company or the nature of any business carried on by the Company, (nor shall any of the aforesaid objects or powers be deemed subsidiary or auxiliary merely to the objects mentioned in any other paragraph), but shall be construed in as wide a sense as if each of the said sub-clauses defined the objects of a separate and independent company; and
  - (b) may be carried out in any part of the world; and
- 3.41 in the event of any ambiguity, this clause and every paragraph hereof shall be construed in such a way as to widen and not to restrict the power of the Company.

4 The liability of the members is limited.

5 The authorised share capital of the Company at the date of registration of this Memorandum of Association is Tanzanian Shillings 2,660,000,000 divided into 26,600 Ordinary shares of Tanzanian Shillings 100,000 each with power to increase or reduce such capital and to divide the shares in the capital for the time being, whether original or increased, in different classes, and to attach thereto respectively any preferential, deferred, qualified or special rights, convert shares from one class to the other, privilege or conditions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares, whether preference or otherwise or any such rights, privileges or conditions shall not be altered or modified except in accordance with the Articles of Association registered herewith.

WE, the persons whose names and addresses are subscribed, desire to be 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 and Addresses of Subscribers	Number of shares (Ordinary shares of TZS 26,600 Each)	Signatures
Name: Jialei Lin Address: P.o.box 77800, Vikindu, Mkuranga, Pwani	18620	林甲磊
Name: Yang Zhao Address: P.o.box 77800, Vikindu, Mkuranga, Pwani	7980	赵阳
Total number of shares subscribed for by all subscribers	26600	

Dated at DAR ES SALAAM this 23 day of NOVEMBER 2024.

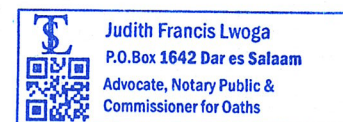
Witness to the above signatures:

Signature: 

Name: JUDITH FRANCIS LWOGA

Address: P.O. BOX 1642, DAR ES SALAAM

Qualification: Advocate / Notary Public / Commissioner for Oaths



**THE COMPANIES ACT 2002**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**XINCHENG SHOES COMPANY LIMITED**

**PRELIMINARY**

**1 Table A**

**The Regulations contained in Table A shall not apply to the Company. The Articles set out below shall constitute the articles of association of the Company to the exclusion of any other regulations or articles of association.**

**2 Interpretation**

2.1 In these Articles, the following words have the following meanings:

<b>Act</b>	the Companies Act (Act No. 12 of 2002) as amended from time to time;
<b>Articles</b>	these articles of association as amended from time to time;
<b>Board</b>	board of directors of the Company as constituted from time to time;
<b>Business Day</b>	a day (other than a Saturday or Sunday) when banks in Dar es Salaam, Tanzania and China are open for business;
<b>Company</b>	XINCHENG SHOES COMPANY LIMITED;
<b>Table A</b>	Table A in the Schedule to the Act; and
<b>TZS</b>	Tanzanian Shillings.

2.2 References in these Articles to writing shall be construed as including references to any method of representing or reproducing words in a legible and non-transitory form (including by email).

2.3 Words denoting the singular shall include the plural and *vice versa*. Words denoting the masculine shall include the feminine. Words denoting persons shall include bodies corporate and unincorporated associations.

2.4 Headings in these Articles are for convenience only and shall not affect the interpretation hereof.

2.5 Any conflict between this Articles of Association and the Shareholders Agreement, the Shareholders Agreement shall supersede/take precedence.

### **3 Liability of Members**

The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

## **SHARE CAPITAL**

### **4 Amount of Share Capital**

- 4.1 The authorised share capital of the Company at the date of adoption of these Articles is TZS 2,660,000000 divided into 26,600 ordinary shares of TZS 100,000 each.
- 4.2 The Company may from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount as the resolution shall prescribe.

### **5 Issue and Allotment of Shares**

- 5.1 Subject to the provisions of the Act and without prejudice to the rights attached to any existing shares, any share may be issued with or have attached to it such rights or restrictions as the Company may by ordinary resolution determine.
- 5.2 Subject to Article 5.1, the Shareholders Agreement in place, the unissued shares of the Company shall be at the disposal of the members who may offer or allot, grant options over or otherwise dispose of such unissued shares to the existing members or to such persons at such times and upon such terms and conditions as the Company may by ordinary resolution of the members determine.
- 5.3 The Board is authorised to exercise all powers of the Company after the shareholders' ordinary resolution has determined to allot securities, but only if the allotment otherwise conforms to the requirements of these Articles. The maximum nominal amount of relevant securities which may be allotted under this authority shall be the nominal amount of the unissued share capital at the date of adoption of this Article or such other amount as may from time to time be authorised by the Company in general meeting.
- 5.4 Subject to the provisions of section 61 of the Act, any 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 ordinary resolution determine.

### **6 Share Rights**

- 6.1 If at any time the share capital is divided into different classes of shares or the existing shares are converted into a different class of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of an ordinary resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these Regulations relating to general meetings shall apply, but so that the necessary quorum shall be two persons at least holding or

representing by proxy one-half of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.

- 6.2 The rights conferred upon the holders of the shares of any class shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
- 6.3 The Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares (or part payment in one way and part payment in the other way).

## **7 Share Certificates**

- 7.1 Every member, upon becoming the holder of any shares, shall be entitled without payment to receive within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first such reasonable sum as the directors may determine.
- 7.2 Every share certificate shall be executed by the Company in such manner as the directors may decide (which may include use of the seal and/or manual or scanned or facsimile signatures by one or more directors) and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid thereon. No certificate shall be issued representing shares of more than one class.
- 7.3 In respect of a share of shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one joint holder shall be sufficient delivery to all joint holders.
- 7.4 If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of expenses reasonably incurred by the Company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing out) on delivery up of the old certificate.

## **8 Lien on Shares**

- 8.1 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share; but the directors may, with the prior approval of the members, at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The Company's lien, if any, on a share shall extend to any amounts payable in respect of it.
- 8.2 The Company may sell, in such manner as the directors determine, any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after a notice in

writing has been given to the holder of the share, or the person entitled thereto by reason of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.

- 8.3 To give effect to any such sale the directors may authorise some person to transfer the shares sold to, or in accordance with the directions of, the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 8.4 The net proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares, at the date of the sale.

## **9 Calls on Shares**

- 9.1 Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and not by the conditions of allotment thereof made payable at fixed times, and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by installment. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
- 9.2 A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
- 9.3 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 9.4 If a call remains unpaid after it has become due and payable, the person from whom the sum is due shall pay interest on the amount unpaid from the day it became due and payable to the time of actual payment at the rate fixed by the term of allotment of the share or, if no rate is fixed, at a rate not exceeding five percent per annum as the directors may determine, but the directors may waive payment of such interest wholly or in part.
- 9.5 An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call, and if it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call.
- 9.6 Subject to the terms of allotment, the directors may, on the issue of shares,

differentiate between the holders as to the amount of calls to be paid and the times of payment.

- 9.7 The directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys un-called and unpaid upon any shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) six per cent per annum, as may be agreed upon between the directors and the members paying such sum in advance.

## **10 Transfer of Shares**

- 10.1 Each shareholder shall not Transfer, directly or indirectly (including but not limited to by transfer shares of such shareholder itself), any shares held by such Shareholder in the Company, unless the transfer is effected in accordance with the provisions of Schedule 1.
- 10.2 No share shall be Transferred unless the transfer is made in accordance with these Articles and the Shareholders Agreement. Any transfer of shares in breach of this clause 10.2 and Schedule 1 shall be null and void and each Shareholder agrees to procure that the Company shall not register any such Transfer.
- 10.3 No shareholder shall create any Encumbrance over, transfer, or otherwise dispose of or give any person any rights in or over any share or interest in any share in the Company unless it is permitted or required under these Articles or the Shareholders Agreement and carried out in accordance with the terms of these Articles and the Shareholders Agreement. "Encumbrance" means any interest or equity of any person (including any right to acquire, option, right of first-refusal or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement.
- 10.4 The instrument of transfer of any share shall be in any usual form or any other form which the directors may approve and shall be executed by or on behalf of the transferor and by or on behalf of the transferee. No share which is not fully paid up shall be subject to a Transfer. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
- 10.5 The directors may refuse to register the Transfer of a share which is not fully paid to a person of whom they do not approve and they may refuse to register the Transfer of a share on which the Company has a lien. They may also refuse to register a Transfer unless:
- (a) it is lodged at the office or such other place as the directors may appoint, and is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require in writing to show the right of the transferor to make the Transfer; and

(b) it is in respect of only one class of share.

10.6 If the directors refuse to register a Transfer they shall within six days after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

10.7 No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting title to any share.

## **11 Transmission of Shares**

11.1 In case of the death of a member, the shares of the deceased member shall not pass to the estate of the deceased member. Upon the Board becoming aware of death of a member, the Board shall proceed as stipulated in the Shareholders Agreement. But nothing herein contained or contained in the Shareholders Agreement shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him. Under no circumstances shall the shares of the deceased shareholder fall within the estate of the deceased shareholder.

11.2 Only fully paid-up shares shall be subject to the process stipulated under Article 11.1. If on the death of the deceased member, part or whole of his/her shares remain unpaid, the Company shall have no obligation to pay any funds to the estate of the deceased for the shares which remain unpaid. Accordingly, in such an instance, the Board may undertake the process of calling and forfeiting the shares as provided in these Articles. The notices for call & forfeiture shall be sent to the executor or person holding letters of administration of the estate of the deceased member. If the estate of the deceased member pays for the shares which are subject to forfeiture, then the Board shall implement the process stated under Article 11.1.

11.3 The estate of the deceased member shall have no rights to claim any profits made, assets acquired or dividends paid between the time the deceased member passed away and the time the steps provided under either Article 11.1 or Article 11.2 are completed.

## **12 Forfeiture of shares**

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

12.2 If the notice is not complied with, any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

12.3 Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or

- otherwise disposed of on such terms and in such manner as the directors, with a prior approval of the members, determine either to the person who was before the forfeiture the holder or to any other person, and at any time before a sale, re-allotment or other disposition the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person, the directors may authorise some person to execute an instrument of transfer of the share in question.
- 12.4 A person any of whose shares have been forfeited shall cease to be a member in respect of the forfeited shares and shall surrender to the Company for cancellation the certificate for the shares forfeited, but shall remain liable to the Company for all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares, but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
- 12.5 A statutory declaration by a director or the Secretary that a share has been forfeited on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share, and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity of the proceedings in reference to the forfeiture or disposal of the share.
- 12.6 The Company may by ordinary resolution:
- a. Consolidate and divide all or any of its share into shares of larger amount than its existing share.
  - b. Subdivide its existing shares into shares of smaller amount than is fixed by the Memorandum of association, subject, nevertheless, to provisions of the Act.
  - c. Cancel any shares, which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its capital by the number of shares so cancelled.
  - d. The company may, subject to the Act, by special resolution, reduce its share capital and any capital redemption fund in any manner as deemed necessary.

### **13 Reduction of share capital**

- 13.1 The Company may, by special resolution of the members, reduce its share capital and any capital redemption reserve fund in any manner and with, and subject to, any incident and consent required, by law.

## **GENERAL MEETINGS**

### **14 AGMs and EGMs – Calling**

- 14.1 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 as such in the notices calling it. The directors shall call each annual general meeting. Not more than fifteen months shall elapse between the date of

one annual general meeting of the Company and that of the next.

- 14.2 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 14.3 The directors may, whenever they think fit, call an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisitions, or, in default, may be convened by such requisitions, as provided by the Act. Any two directors or any two members of the Company may call the meeting in the same manner as nearly as possible as that in which meetings may be convened by the directors.

## **15 Notice of General Meetings**

- 15.1 Every general meeting shall be convened within fifteen (15) days from (but excluding) the date of the demand in writing made by the shareholder or the director by a notice in writing to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors. The notice shall specify the time and place of the meeting and the general nature of the business and, in the case of an annual general meeting, the notice shall specify the meeting to be an annual general meeting.
- 15.2 The accidental omissions 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 at the meeting.
- 15.3 A general meeting may be called by shorter notice if it is so agreed:
  - (a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat;
  - (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 that right.
- 15.4 Notices shall be served in accordance with Articles 50 and 51.

## **16 Quorum**

No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; two or more persons holding more than 50% of the issued and outstanding shares entitled to vote on the business to be transacted, each being a member or proxy for a member or a duly authorised representative of a corporation, shall be a quorum.

- 16.1 If a quorum is not present within half an hour of the time appointed for a general meeting, the meeting shall be adjourned to such day and at such time and place as the directors may determine and if a quorum is not present within half an hour from the time appointed for the adjourned meeting the meeting shall be dissolved.

## **17 Adjourned General Meeting**

- 17.1 The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time

and from place to place, but no business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, notice of at least five clear days and detailing the general nature of the business to be transacted at an adjourned meeting should be given (although the members entitled to such notice may consent in writing to shorter notice).

## **18 Proceedings at General Meetings**

- 18.1 In any circumstances declaring a dividend, the consideration of the accounts, and the reports of the directors and auditors, the election of directors in the place of those retiring and the appointment of, and the fixing of the remuneration of, the auditors shall not be deemed special business at a general meeting.
- 18.2 The chairman, if any, of the Board (or in his absence some other director nominated by the directors present by simple majority) shall preside as chairman of the general meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for the holding of the meeting and willing to act, the shareholder holding the most number of shares or its representative or proxy shall be chairman.
- 18.3 A director shall, notwithstanding that he is not a member, be entitled to attend and speak at a general meeting and at any separate meeting of the holders of any class of shares in the Company.
- 18.4 A resolution put to the vote of the general meeting shall be decided by poll and not on a show of hands.
- 18.5 On a poll, the holder of each ordinary share shall have one vote for each ordinary share held by such holder.
- 18.6 The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. An ordinary resolution at a duly constituted general meeting of the Company shall be made if and only if the resolution is passed by a simple majority of the votes cast by, or on behalf of, the members entitled to vote present in person or by proxy and voting at the meeting.
- 18.7 A poll on any questions shall be taken immediately.

## **19 Votes of Members**

- 19.1 Subject to any rights or restrictions attached to any shares and to any other provisions of these Articles, at a general meeting, on a poll every member present in person or by proxy (or, being a corporation, present by a duly authorised representative), shall have one vote for each share of which he is the holder.
- 19.2 In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

## **20 Proxies of Members**

- 20.1 In accordance with the Act, any member entitled to attend and vote at a meeting

of the Company (including a member that is a corporation) shall be entitled to appoint another person as the member's proxy to attend and vote instead of the member and the proxy appointed to attend and vote shall have the same right as the member to speak at the meeting.

- 20.2 A proxy need not themselves be a member of the Company.
- 20.3 An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised.
- 20.4 An instrument appointing a proxy may be in any common form or in such other form as the directors or the Secretary may approve, and the directors may at their discretion treat a faxed or other machine-made copy of an instrument in any such form as an original copy of the instrument.
- 20.5 The instrument of proxy shall, unless the contrary is stated in it, be valid for any adjournment of the meeting as well as for the meeting to which it relates, and shall be deemed to include authority to vote as the proxy thinks fit on any amendment of a resolution put to the meeting for which it is given.

20.6 The:

- (a) instrument appointing a proxy and (if required by the directors) any authority under which it is executed or a copy of the authority (certified by a Notary Public of any country or in any other manner approved by the directors); and
- (b) instrument terminating a proxy,

shall be delivered to the registered office, or to some other place or to some person specified or agreed by the directors or specified for that purpose in the notice convening the meeting, not less than the hours specified in the notice before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the relevant instrument shall not be treated as valid.

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

## **21 Corporations acting by Representatives at Meetings**

Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

## **22 Communication of Termination of Proxy and Removal of Corporate Representative**

Unless an instrument terminating a proxy or removing the authority of a representative of a corporation is communicated to the Company in accordance

with Article 20.6, a vote given in accordance with the terms of an instrument of proxy, or poll demanded by proxy, or by the duly authorised representative of a corporation shall be valid notwithstanding the previous termination before the commencement of the meeting or adjourned meeting at which the proxy is used.

## **23 Members' Resolutions in Writing and General Meetings by Conference**

A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall have effect as if it had been passed at a general meeting duly convened and held, and may consist of several instruments (or counterparts) in the like form each executed by or on behalf of one or more members. Either all or part of the members of the Company, shall be deemed to meet together if, being in separate locations, they are linked by conference telephone or other communication equipment which allows those participating to hear and speak to each other. The time and place of such meeting shall be the place where the chairman is seated.

A resolution in writing (in one or more counterparts) shall be as valid and effective as if the resolution had been passed at a duly convened and held general meeting of the Company if:

(a) in the case of a special resolution, it is signed by all members required for such special resolution to be deemed effective under the Act; or

(b) in the case of any resolution passed other than as a special resolution, it is signed by members for the time being holding shares carrying in aggregate not less than the minimum number of votes that would be necessary to authorize or take such action at a general meeting at which all shares entitled to vote thereon were present and voted (or, being companies, signed by their duly authorised representative).

## **DIRECTORS**

### **24 Directors' General Authority and Powers**

24.1 Subject to the provisions of the Act, the Memorandum of Association of the Company and these Articles and to any directions given by ordinary resolution, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company. No alteration of the Memorandum of Association or these Articles and no such directions shall invalidate any prior act of the directors which would otherwise have been valid. The powers given by this Article shall not be limited by any special power given to the directors by these Articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

24.2 Notwithstanding any other provisions in these Articles or in the Shareholders Agreement, the authority and powers of the directors shall at all times be exercised by the directors as a group by resolution of the Board and no single director shall have any authority or power under these Articles or the Shareholders Agreement to represent or bind the Company, unless specifically authorized by the directors or the members by resolution on the condition that such authorization shall not contravene any provisions in these Articles, the

Shareholders Agreement or the Act.

- 24.3 The directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
- 24.4 The Company may exercise the powers conferred upon the Company under the Act with regard to the keeping of a branch register, and the directors may (subject to the provisions of those sections) make and vary such regulations as they may think fit respecting the keeping of any such register.
- 24.5 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn accepted, endorsed, or otherwise executed in such manner as the directors shall from time to time by resolution determine.

## **25 Directors' Rights to Delegate**

- 25.1 Subject to these Articles, the directors may delegate any of the powers which are conferred on them under these Articles:
- (a) to such person or to a committee of such persons;
  - (b) by such means (including by power of attorney);
  - (c) to such an extent (including authority for an attorney or agent to delegate all or any of his power);
  - (d) in relation to such matter or territories; and
  - (e) on such terms and conditions,
- as they think fit.
- 25.2 The directors may also revoke any delegation in whole or part or alter its terms and conditions.

## **26 Number of Directors**

Unless otherwise determined by ordinary resolution of the members, the number of directors shall not be subject to any maximum but shall be not less than two.

## **27 Share Qualification of Directors**

No shareholding qualification for directors shall be required.

## **28 Appointment of Directors**

- 28.1 The first directors shall be:
- (a) **JIALEI LIN;**
  - (b) **YANG ZHAO**

28.2 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director by an ordinary resolution of the members.

## **29 Vacation of Office & Retirement**

29.1 Any director may at any time be removed from office by the holders of a majority of the shares.

29.2 Any director who is an employee of the Company and who ceases to be an employee shall automatically be removed from office from the date his employment ceases.

29.3 A director shall vacate his office as director if he:

- (a) ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director;
- (b) becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (c) becomes of unsound mind;
- (d) resigns his office by notice in writing to the Company; or
- (e) shall for more than six consecutive months have been absent (without permission of the directors) from meetings of the directors held during that period and the directors resolve that his office be vacated.

29.4 The directors shall not be subject to retirement by rotation.

## **30 Chairman**

The majority shareholder shall have the exclusive authority to appoint the Chairman. The Chairman so appointed shall additionally act as the chairman of general meetings of the Company.

## **31 Directors' Remuneration**

31.1 The directors may appoint one or more of their number to the office of managing director or to any other executive office under the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made on such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director, but without prejudice to any claim to damages for breach of the contract of service between the director and the Company.

31.2 Subject to 31.1 and 31.3, the remuneration of the directors in general shall be determined by ordinary resolution of the Company and, unless the resolution otherwise provides, such remuneration shall be deemed to accrue from day to day.

31.3 Any director who serves on any committee, or who otherwise performs services which in the opinion of the directors are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the directors may determine.

- 31.4 The directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the business of the Company or their employments (if any) by the Company.
- 31.5 In addition to any statutory pension and social security requirements, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who had held any other salaried role, employment or office with the Company or to his widow or dependants, and may make contributions to any fund and pay premiums for the purchase or provisions of any such gratuity, pension or allowance.

## **32 Directors' Interests and Disclosure of Information**

- 32.1 A director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the directors in accordance with section 209 of the Act.
- 32.2 Subject to the provisions for the Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
  - (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in any body corporate promoted by the Company or in which the Company may be interested; and
  - (c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment remuneration or other benefits received by him as a director or officer of, or from his interest in, such other Company unless the Company otherwise directs.

Provided that nothing herein contained shall authorise a director or his firm to act as auditor to the Company.

- 32.3 For the purposes of Articles 32.1 and 32.2:
- (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in such transaction of the nature and extent specified; and
  - (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
- 32.4 Subject, where applicable, to such disclosures, a director shall be entitled to vote in respect of any contract or proposed contract in which he is interested and if he shall do so his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present.

## **ALTERNATE DIRECTORS**

### **33 Appointment of Alternate Directors**

- 33.1 Any director (other than an alternate director) may, in writing, appoint any person (whether or not a director) to be an alternate director and may remove from office an alternate director appointed by him provided they notify the company in writing.
- 33.2 In these Articles, where the context so permits, the term director shall include an alternate director appointed by a director
- 33.3 The appointment of an alternate director shall terminate, or determine, on the happening of any event which if he were a director would cause him to vacate such office or if the director of whom he is the alternate ceases to be a director.

### **34 Alternate Directors' Attendance At, and Notice of, Meetings**

- 34.1 An alternate director shall be entitled to receive notice of all meetings of the directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at such meetings at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence. An alternate director who is already a director of the Company in his own right, will also be a director (and may vote) in his own right.
- 34.2 A resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by his appointor, it need not be signed by the alternate director in that capacity.

### **35 Alternate Directors' Remuneration**

An alternate director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any fee in his capacity as an alternate director, except that such part (if any) of the remuneration otherwise payable to the director appointing him as an alternate director may by notice in writing to the Company from time to time direct.

## **MEETINGS AND PROCEEDINGS OF DIRECTORS**

### **36 Proceedings of Directors**

- 36.1 Subject as provided in these Articles, the directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit, except that the quorum necessary for a meeting of the directors shall be two directors.
- 36.2 Any vacancy occurring on the Board shall only be filled by in accordance with these Articles and the Shareholders Agreement. The continuing directors may act notwithstanding any vacancy in their number, but, if their number is reduced below the number fixed as the necessary quorum, the continuing directors or director may act only for the purpose of filling vacancies or for the purpose of calling a general meeting.

### **37 Notice of Board Meetings**

- 37.1 A director may, and the Secretary at the request of a director shall, call a meeting of directors.
- 37.2 A director whose registered address is not within Tanzania shall be entitled to have notices sent to him as if he were a director with a registered address within Tanzania.
- 37.3 Notice of a meeting of the directors shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing (including by email) to him at his last known address or any other address given by him to the Company for this purpose, or by any other means authorised in writing by the director concerned.
- 37.4 A director may, orally or in writing, waive notice of any meeting either prospectively or retrospectively.
- 37.5 At least five (5) Business Days' notice of a meeting of directors shall be given to all directors entitled to receive notice accompanied by:
- (a) an agenda specifying in reasonable detail the matters to be raised at the meeting; and
  - (b) copies of any papers to be discussed at the meeting.
- 37.6 A shorter period of notice of a meeting of directors may be given if a majority of directors agree in writing (including by email).
- 37.7 Matters not on the agenda may not be raised at a meeting of directors, or business conducted in relation to those matters, unless:
- (a) there is an agenda item for 'Any Other Business';
  - (b) all the directors present agree orally at the meeting; or
  - (c) all directors entitled to receive notice of the meeting agree in writing, including by email.

### **38 Virtual Board Meetings**

The directors, and any committee of the directors, shall be deemed to meet together if, being in separate locations, they are linked by conference telephone or other communication equipment which allows those participating to hear and speak to each other as provided under the Shareholders Agreement. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is.

### **39 Voting at Board Meetings**

- 39.1 Subject to these Articles, a decision is taken at a directors' meeting by a simple majority of votes of the directors who are participating and each director participating in the meeting has one vote.
- 39.2 A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
- 39.3 The Company may by ordinary resolution suspend or relax to any extent, either

generally or in respect of any particular matter, any provision of these Articles prohibiting a director from voting at a meeting of directors or of a committee of directors.

- 39.4 Notwithstanding anything to the contrary in these Articles, none of the matters set out in Schedule 2 (the Board Approval Matters) shall be taken or decided on in relation to the Company and the Company shall not, as far as it is legally able, carry out or give effect to any of the Board Approval Matters unless first agreed by simple majority of the directors (either in writing or by voting in favour at a directors' meeting properly held and convened).
- 39.5 Subject to Article 32, where proposals are under consideration concerning the appointment of two or more directors to offices or employment with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except than concerning his own appointment.

#### **40 Written Board Resolutions**

A resolution in writing, signed by all the directors entitled to receive notice of a meeting of the directors, or of a committee of directors, shall be as valid and effectual as if it had been passed at a meeting of the directors or (as the case may be) a committee of directors duly convened and held, and may consist of several documents (in counterpart) in the like form each signed by one or more directors.

#### **41 Committees of Directors**

- 41.1 The directors may delegate any of their powers to any committee consisting of one or more directors; 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. Subject to any such regulations, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of directors so far as they are capable of applying.
- 41.2 All acts done by a meeting of the directors or of a committee of directors or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such director, or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and was entitled to vote.

### **MINUTE BOOKS**

#### **42 Books of Minutes of Meetings**

The directors shall cause minutes to be made in books kept for the purpose of:

- (a) all appointments of officers made by the directors;
- (b) the names of the directors present at each meeting of the directors and of any committee of the directors;
- (c) all resolutions and proceedings:
  - (i) at all meetings of the Company;

- (ii) of the holders of any class of shares in the Company;
- (iii) of the directors; and
- (iv) of committees of directors.

## **SECRETARY**

### **43 Secretary**

- 43.1 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.
- 43.2 A provision of the Act or these Regulations requiring or authorising a thing to be done by or to a director and the Secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, the Secretary.

## **COMPANY SEAL**

### **44 The Seal**

The seal shall only be used by the authority of the directors or of a committee of the directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and, unless otherwise so determined, it shall be signed by:

- (a) a director and by the Secretary; or
- (b) by two directors.

## **ACCOUNTS AND AUDIT**

### **45 Accounts**

- 45.1 The directors shall cause proper books of account to be kept, in the English language, with respect to:
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;
  - (b) all sales and purchases of goods by the Company; and
  - (c) the assets and liabilities of the Company.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

- 45.2 The books of account shall be kept at the registered office of the Company, or, subject to the Act, at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.
- 45.3 Members may access and inspect any accounting records or other book or documents of the Company.
- 45.4 The directors shall, in accordance with the Act, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts,

balance sheets, cash flow statements, group accounts (if any) and reports as are referred to in those sections.

- 45.5 In accordance with the Act, the copy of the Company's annual accounts to be laid before the Company in general meeting together with a copy of the director's report and the auditor's report shall not less than twenty-one days before the date of the meeting (or such shorter period as the members may agree to in respect of notice of the general meeting) be sent to every member of, and every holder of debentures of, the Company. Provided that this regulation shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

#### **46 Audit**

Auditors shall be appointed and their duties regulated in accordance with the Act.

### **PROFITS & DISTRIBUTIONS**

#### **47 Capitalisation of Profits**

- 47.1 The directors may, with the authority of an ordinary resolution of the Company,:
- (a) resolve to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and resolve that such sum be capitalised to the members who would have been entitled to it were it distributed by way of dividend (and in the same proportions), and apply such sum either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or in paying up in full in issued shares or debentures of the Company to be allotted and distributed;
  - (b) make such provision for the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions; and
  - (c) authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they are entitled upon such capitalisation, and any agreement made under such authority shall be effective and binding on all such members.

#### **48 Procedure for Declaring and Paying Dividends**

- 48.1 Subject to section 180 of the Act and the Shareholders Agreement, the Company may by ordinary resolution declare dividends, and the directors may decide and pay interim dividends to the members in such amounts as appear to the directors to be justified by the profits of the Company available for distribution.
- 48.2 No dividend may be declared or paid unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- 48.3 No dividend may be declared or paid unless it is in accordance with members' respective rights. No dividends shall be paid for shares which have been called but remain unpaid.

- 48.4 The directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the directors may from time to time think fit. The directors may also, without placing the same to reserve, carry forward and any profits which they may think prudent not to divide.
- 48.5 Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid on the shares in respect of which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but 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.
- 48.6 Any general meeting declaring a dividend may, upon the recommendation of the directors, direct payment of such dividend wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same, and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of members, and may vest any assets in trustees.
- 48.7 Subject to Article 48.6, where a dividend, or other sum which is a distribution payable in respect of a share, is declared, and payable in cash, it must be paid by transfer to a bank or building society account specified by the distribution-recipient in writing or by any other means of payment as the directors agree with the distribution-recipient in writing (including by email). If the distribution-recipient does not specify such account (or agree any other means of payment) within 21 days of being given notice of the intended payment, the distribution may be paid by cheque sent through the post to the address of the holder or, in the case of joint holders, to the address of that one of the joint holders who is first named in the Register of Members of the Company, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque shall be made payable to the order of the person to whom it is sent, and payment of the cheque shall be a good discharge to the Company.
- 48.8 Any one of two or more joint holders may give effectual receipts for any dividends or moneys payable in respect of the shares held by them as joint holders.
- 48.9 No dividend or moneys payable by the Company in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.
- 48.10 Any dividend paid by cheque which has remained un-cleared by the recipient for twelve years from the date the cheque was sent shall, if the directors so resolve, be forfeited and cease to remain owing by the Company.

## **NOTICES & DOCUMENTS**

### **49 Formalities for Signing Documents**

Any requirement in these Articles for any notice, resolution or other document to be signed by or on behalf of any person shall be deemed satisfied where the notice, resolution or other document is received with the signature of the relevant person reproduced thereon by means of email or facsimile copy if such signature is confirmed by receipt of the notice, resolution or document bearing the original signature in manuscript within sixty days of receipt of the reproduction.

### **50 Requirement for Writing Notices**

Except where stated to the contrary in these Articles, any notice to be given to or by any person pursuant to these Articles shall be in writing. A notice calling a meeting of directors need not be in writing.

### **51 Service of Notices**

51.1 Notice may be given to a person (including a corporate) who is (or on behalf of) a member or director of the Company:

- (a) personally (including by courier);
- (b) by sending it by post (or by air mail in the case of an address for service outside Tanzania) in a prepaid envelope addressed to the person at his address given for notice;
- (c) by leaving it at the person's address given for notice;
- (d) by fax;
- (e) by email; or
- (f) by any other means if authorised in writing (including by writing email) by the member concerned.

51.2 Each member and director's address given for notice shall be the address:

- (a) specified in writing (including by email) to the Secretary or directors as the 'address for notices for that person'; or
- (b) (in default of a specification under (a) above) such other address as may be stated in the Register of Members and/or Register of Directors as the address of the relevant person, and

such address may be within Tanzania or abroad and a member or director whose registered address is not within Tanzania shall be entitled to have notices sent to him (or it) as if he (or it) were a member with a registered address within Tanzania for any purposes.

51.3 Any notice or other document if:

- (a) given personally, shall be deemed served when delivered;
- (b) sent by registered post, shall be deemed to have been served or delivered 48 hours after posting to an address in Tanzania (or five days after posting to an address outside Tanzania);
- (c) sent by fax, shall be deemed served when despatched; and
- (d) sent by email, shall be deemed served when sent.

51.4 In proving such service or delivery, it shall be sufficient to prove that:

- (a) the notice or document was delivered to the address given for notice,
  - (b) the envelope containing the notice or document was properly addressed, stamped and put in the post;
  - (c) in the case of a fax, that such fax was duly despatched to a current fax number of the addressee; or
  - (d) in the case of an email, that such the email was duly sent to a current email address of the addressee (which may be proved by evidence of receipt by the addressee such as: (i) an automated 'delivered' message from the sender's email systems; (ii) a reply from the addressee; or (iii) unrelated emails from the email account address sent both before and after the relevant email of notice).
- 51.5 A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the register of members in respect of the share.
- 51.6 A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by these Articles, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for this purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.
- 51.7 A:
- (a) member present, either in person (including by corporate representative) or by proxy, at any meeting of the Company, or of the holders of any class of shares in the Company, and
  - (b) director present (personally or by alternate) at a meeting of the directors (or a committee of the directors) or general meeting of the Company,
- shall be deemed to have received notice of such meeting.

## **MISCELLANEOUS**

### **52 Winding up**

If the Company is wound up, the liquidator may, with sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members in specie the whole or any part of the assets of the Company and may, for that purpose, set such value as he deems fair upon any property to be divided 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 the assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, shall determine, but no member shall be compelled to accept any shares or other securities upon which there is a liability.

### **53 Indemnity to Officers**

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 under section 481 of the Act in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

## Schedule 1: Share Transfers

### 1 Share Transfers: General

- 1.1 For the purpose of the Articles and this Schedule 1, Transfer means, with respect to any shares, a direct or indirect transfer, sale, exchange, assignment, pledge, hypothecation or other Encumbrance or other disposition of such shares or any of its related interests, powers, benefits and rights, including the grant of an option or other right, whether directly or indirectly, whether voluntarily, involuntarily or by operation of law; and Transferred and Transferee shall each have a correlative meaning.
- 1.2 No share shall be directly or indirectly Transferred unless the Transfer is made in accordance with this Schedule, other provisions of the Articles and the Shareholders Agreement. Any transfer of shares in breach of this Schedule, other provisions of the Articles and the Shareholders Agreement shall be null and void.
- 1.3 Any Transfer of shares by way of a sale that is required to be made under paragraphs **Error! Reference source not found.**, or **Error! Reference source not found.** of this Schedule shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

### 2 Right of first refusal on Transfer of shares

- 2.1 Subject to all other terms and conditions of this Schedule 1, the Memorandum, the Articles and other than a Permitted Transfer pursuant to paragraph 3 of this Schedule 1, if any shareholder (a "Transferring Shareholder") proposes to Transfer any shares (or any portion thereof, or economic, voting or other interest therein) to any Person other than a Permitted Transferee, such Transferring Shareholder shall deliver to the Board and the other shareholder (the "Non-Transferring Shareholders") written notice of such proposed Transfer (the "Proposed Transfer Notice") specifying (a) the shares owned by the Transferring Shareholder that are subject to the proposed Transfer (the "Transfer Shares"), (b) the proposed consideration (including cash consideration and any non-cash consideration) to be paid for the Transfer Shares on a per share basis (the "Transfer Price"), (c) the identity of the proposed Transferee (the "Proposed Transferee"), and (d) all other material terms and conditions of the proposed Transfer. If the Transfer Price is payable in whole or in part in consideration other than cash, the Fair Value of the non-cash portion of the consideration shall be determined in accordance with this Agreement. The Non-Transferring Shareholders shall have an option (the "Right of First Refusal") to purchase all of the Transfer Shares at the Transfer Price and subject to the same terms and conditions as described in the Proposed Transfer Notice.

**Person** means any natural person, general or limited partnership, corporation, limited liability company, limited liability partnership, firm, association or organization or other legal entity.

**Fair Value** means in relation to a share of the Company, its fair value as determined in good faith by an independent and reputable valuer as jointly appointed by the Shareholders based on the following assumptions:

(i) the value of the share is that proportion of the fair value of the entire issued share capital of the Company that such share bears to the then total issued share capital of the Company (with no premium or discount for the size of the selling Shareholder's shareholding or for the rights or restrictions applying to the share under this Agreement or the Articles);

(ii) the sale is on an arm's length basis between a willing buyer and a willing seller on the open market of the whole of the issued share capital of the Company;

(iii) there are no legal or regulatory issues and no third party consents or approvals required in order to effect the sale;

(iv) if the Company and/or its subsidiaries are then carrying on their businesses as going concern, on the assumption that they shall continue to do so;

(v) the shares are sold free from all Encumbrances and together with all rights attaching to them;

(vi) the application in all other respects of principles and practice consistent with those customarily applied in the previous audited accounts of the Company; and

(vii) the Fair Value must be expressed as a single amount and not as a range of values.

2.2 Any Proposed Transfer Notice delivered by the Transferring Shareholder shall constitute an offer (the "ROFR Offer") by the Transferring Shareholder to transfer the Transfer Shares to the Non-Transferring Shareholder in accordance with the terms of this Schedule 1.

2.3 The Non-Transferring Shareholder who intends to acquire the Transfer Shares shall deliver a written notice (the "ROFR Acceptance Notice") to the Company and the Transferring Shareholder within fifteen (15) Business Days after it has received the Proposed Transfer Notice from the Transferring Shareholder (the "First Refusal Period"), indicating whether it wishes to purchase the Transfer Shares. Failure by any Non-Transferring Shareholder to give a ROFR First Acceptance Notice within the First Refusal Period shall constitute its election not to exercise its Right of First Refusal with respect to the ROFR Offer.

2.4 The delivery of the ROFR Acceptance Notice by the Non-Transferring Shareholder indicating that it will exercise its Right of First Refusal to purchase the Transfer Shares shall constitute a legally binding contract between the Non-Transferring Shareholder and the Transferring Shareholder for the purchase and sale of the Transfer Shares as determined and adjusted pursuant to paragraphs 2.1 to 2.3 at the Transfer Price and on the same terms and conditions set forth in the Proposed Transfer Notice or otherwise no more favourable than the terms and conditions in the Proposed Transfer Notice. The sale and purchase of the Transfer Shares shall, subject to paragraph 2.6, be completed within twenty (20) Business Days after the expiration of the First Refusal Period, whereat the Transferring Shareholder shall transfer the relevant Transfer Shares to the Non-Transferring Shareholder, free and clear of any Encumbrances, and shall warrant that it is the sole legal and beneficial owner of

the Transfer Shares. If the Transferring Shareholder (except as a result of obtaining regulatory approvals under paragraph 2.3 fails to comply with provisions of this paragraph 2.4, subject to applicable laws, the Shareholders Agreement and the Articles:

- 2.5 The Company and each director shall be constituted and shall be deemed to have been appointed as the agent and attorney of the Transferring Shareholder with full power to:
- (a) take such actions and complete, execute and deliver, in the name and on behalf of the Transferring Shareholder, all documents necessary to give effect to the transfer of the relevant Transfer Shares to the relevant Non-Transferring Shareholder against payment of the relevant Transfer Price (or such other transfer price as may be agreed pursuant to paragraph 2.3 above) to the Company; and
  - (b) (subject to the transfer being duly stamped, if so required by applicable laws) enter the relevant Non-Transferring Shareholder in the register of members as the holders of such Transfer Shares purchased by it; and
  - (c) the Company's receipt of the Transfer Price (or such other transfer price as may be agreed pursuant to the paragraph 2.3 above) shall be a good discharge to the relevant Non-Transferring Shareholders acquiring the relevant Transfer Shares. Upon receipt of such consideration, the Company shall pay the consideration into a separate bank account in the Company's name on trust (but without interest) or otherwise hold the same on trust for the Transferring Shareholder until it has delivered to the Company its share certificate(s) in respect of the relevant Transfer Shares (or a duly executed indemnity for a lost certificate in a form acceptable to the Board).
- 2.6 If the Transfer of the Transfer Shares is subject to any prior approval or other consent required by applicable laws, Contract or instrument, the time period during which the completion of such Transfer may occur shall be extended until the expiration of fifteen (15) Business Days after all such approvals and consents have been obtained.

### **3 Permitted Transfers**

- 3.1 A Shareholder may at any time Transfer all or a portion of its shares in the Company to a Permitted Transferee without being required to follow the steps set out in paragraph **Error! Reference source not found.** of this Schedule 1.
- 3.2 The Shareholder transferring its shares in the Company to a Permitted Transferee under this paragraph 3 shall procure the entry by the Permitted Transferee into a Deed of Adherence and no transfer of shares under this paragraph 3 shall be registered by the Board unless the Permitted Transferee has executed and delivered a Deed of Adherence.
- 3.3 A shareholder holding shares in the Company as a result of a Permitted Transfer by Shareholder under the provisions of this agreement may at any time transfer all (but not some only) of its shares back to the Shareholder from whom it received those shares or to another Permitted Transferee of such

Shareholder, without being required to follow the steps set out in this paragraph 3.

- 3.4 If a Permitted Transfer has been made to a Permitted Transferee, that Permitted Transferee shall within five Business Days of ceasing to be a member of the Permitted Group transfer all of the shares in the Company held by it to:
- (a) the Shareholder from whom it received those shares; or
  - (b) another Permitted Transferee of that Shareholder,
  - (c) (which in either case is not in liquidation).
- 3.5 If the Permitted Transferee fails to make a transfer in accordance with paragraph 3.4, the Company may execute a transfer of the shares on behalf of the Permitted Transferee and register the Shareholder as the holder of such shares.
- 3.6 Any Shareholder which transfers its Shares to a Permitted Transferee pursuant to this paragraph 3 shall keep the Company indemnified against any and all costs, liabilities (including as to tax), expenses and other costs incurred or suffered by the Company arising out of or in connection with such transfer.

#### **4 Transfer in the event of material breach**

- 4.1 In the event that any material breach of the provisions of these Articles, Memorandum, and/or the Shareholders Agreement by a shareholder where such breach is either not capable of being remedied or is not remedied within thirty (30) days from the date of the breaching shareholder's receipt of notice regarding such breach from the other shareholder (the "Non-Breaching Shareholder"), the Non-Breaching Shareholder shall be entitled to serve a notice to the breaching shareholder to purchase the shares of the breaching shareholder in the Company at the Fair Value.
- 4.2 The breaching shareholder and the Company shall take all steps required and execute all agreements and documents necessary to effect the transfer of shares in accordance with paragraph 4.1. The Company may receive the purchase price in trust for the breaching shareholder (without any obligation to pay interest), giving a receipt that shall discharge the Non-breaching Shareholder.

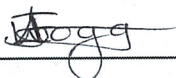
## **Schedule 2: Board Approval Matters**

1. Deciding on and formulating the rules, policies, duties, authority, and powers of the executives and other management personnel
2. Deciding on any and all other matters of the Company beyond the authority granted to the chief executive officer, chief financial officer or other C-level officers the scope of which subject to the approval of the board of directors and subject to approvals by the shareholders if required under the Shareholders Agreement or these Articles, which include but not limited to the matters set out under from paragraphs 3 to 13 below.
3. Appointment and termination of all C-level officers and other senior management employees, including setting their remuneration.
4. The deregistration or voluntary liquidation or winding-up or dissolution of the Company.
5. Any capital investment or expenditure of the Company or any disposal of any of the capital assets of the Company.
6. Any sale, assignment, transfer or other disposition by the Company of any of its material intangible or incorporeal assets such as the goodwill of the Company and its names, trademarks, patents or licenses.
7. The granting by the Company of any encumbrance over any assets or any guarantees, suretyship, undertakings, indemnities or other forms of intercessions for the obligations of third parties.
8. The acquisition by the Company of any share or interest in any other company, other form of legal entity, business or other undertaking of whatsoever nature.
9. Setting up a subsidiary.
10. Entering into, early terminating, varying the terms of, initiating or agreeing to any dispute, legal action or settlement in respect of any material contracts (being one or a series of contracts and with the definition of "material" to be determined by the resolutions of the board of directors separately and recorded in writing).
11. The entering into or conclusion of any Related Parties' Contracts or arrangement by the Company (undefined terms shall have the same meanings under the Shareholders Agreement).
12. Entering into joint venture arrangements with any third party.
13. All investments to be undertaken by the Company (including by means of leasing or acquiring a derivative right or other interests in land).

Names and Addresses of Subscribers	Number of shares (Ordinary shares of TZS 26,600 Each)	Signatures
Name: Jialei Lin Address: P.o.box 77800, Vikindu, Mkuranga, Pwani	18620	林甲磊
Name: Yang Zhao Address: P.o.box 77800, Vikindu, Mkuranga, Pwani	7980	赵阳
Total number of shares subscribed for by all subscribers	26600	

Dated at DAR ES SALAAM this 23 day of NOVEMBER 2024.

Witness to the above signatures:

Signature: 

Name: JUDITH FRANCIS LWOGA

Address: P.O. BOX 1642, DAR ES SALAAM

Qualification: Advocate / Notary Public / Commissioner for Oaths