

**The Companies (Guernsey) Law, 2008 (as amended)**  
**Non-Cellular Company Limited by Shares**

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**ARTICLES OF INCORPORATION**

**of**

**AGRITERRA LIMITED**

(as amended and restated by a special resolution dated 14 December 2010 and as further  
amended and restated by a special resolution dated 14 September 2016)

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**Incorporated on 17 December 2004**

**PRELIMINARY**

1. (A) In these Articles the following words and expressions have the following meanings:

<u>Expression</u>	<u>Meaning</u>
Act	the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force
AIM	the AIM Market of the London Stock Exchange plc
audited balance sheet	the latest audited balance sheet of the Company unless as at the date of such balance sheet there shall have been made up as at such date and audited a consolidated balance sheet of the Company and its subsidiaries (with such exceptions as may be permitted in the case of a consolidated balance sheet prepared for the purposes of the Statutes) and in the latter event "the audited balance sheet" means the audited consolidated balance - sheet of the Company and such subsidiaries and references to reserves and profit and loss account shall be deemed to be references to consolidated reserves and consolidated profit and loss account respectively and there shall be excluded any amounts attributable to outside interests in subsidiaries

Auditors	the auditors for the time being of the Company
Board	the Board of Directors for the time being of the Company or the Directors present at a duly convened meeting of Directors at which a quorum is present and acting by resolution duly passed at a meeting of the Directors or otherwise as permitted by these Articles
Business Days	days (excluding Saturdays and Sundays or public holidays in Guernsey) on which banks generally are open for business in Guernsey for the transaction of normal business
Certificated Share	a share which is not an Uncertificated share and reference to a share being held in certificated form should be construed accordingly
clear days	in relation to the period of a notice, the period excluding the day on which the notice is given or deemed to be given, and the day for which it is given or on which it takes effect
Company	Agriterra Limited
Deferred Shares	the deferred shares of £0.001 par value in the capital of the Company
Director	a director of the Company for the time being
dividend	includes bonus, if not inconsistent with the subject or context
Electronic Communications	any communication “sent in electronic form” (as such term is defined in the Law)
Group	the Company and its subsidiaries (within the meaning of section 1159 of the Act) for the time being
Law	The Companies (Guernsey) Law, 2008, as amended
Member	in relation to shares means the person whose name is entered in the Register as the holder of the shares.
month	calendar month
Office	the registered office for the time being of the Company
Operator	Euroclear UK & Ireland Limited or such other persons as may for the time being be authorised under the Regulations to operate a Relevant System

Ordinary Resolution	a resolution of the Company passed by a simple majority of the votes of the Members entitled to vote and voting in person or by attorney or by proxy at the meeting
Ordinary Shares	the ordinary shares of £0.001 par value in the capital of the Company
paid up	paid up or credited as paid up in respect of the nominal amount of a share
Register	the register of Members of the Company which shall, unless the context requires otherwise, include the register required to be kept by the Company under the Regulations and the System's Rules in respect of shares held in Uncertificated form
Regulations	The Uncertificated Securities (Guernsey) Regulations, 2009
Relevant Electronic Address	shall have the meaning ascribed to it by the Law
Relevant System	any computer-based system, and its related facilities and procedures that are provided by an Operator, which enable title to units of a security (including shares) to be evidenced and transferred without a written instrument, and which facilitate supplementary and incidental matters in accordance with the Regulations
Seal	the common seal of the Company
Secretary	subject to the provisions of the Statutes includes joint Secretaries, a temporary or an assistant Secretary and any person appointed by the Board pursuant to Article 147 to perform any of the duties of the Secretary
Special Resolution	a resolution of the Members passed as a special resolution in accordance with the Statutes by a majority of not less than seventy five per cent of the votes of the Members entitled to vote and voting in person or by attorney or by proxy at the meeting
Statutes	the Law and every other Order in Council, Ordinance or Statute for the time being in force concerning companies registered in Guernsey and affecting the Company including any statutory re-enactment or modification of the Law and every other Order in Council, Statute or Ordinance
System's Rules	the rules, including any manuals, issued from time to time by an Operator governing the admission of securities to and the operation of the Relevant System managed by such Operator

these Articles	these Articles of Incorporation of the Company as altered from time to time
Uncertificated	a unit of a Guernsey security, title to which is recorded on the relevant register of members or on the Company's register of non-share securities as being held in uncertificated form, and title to which may be transferred by means of any Relevant System in accordance with the Regulations and the System's Rules, if any
United Kingdom	Great Britain and Northern Ireland
writing	includes printing, typewriting, lithography, photography and any other mode or modes of presenting or reproducing words in a visible form
year	year from the 1st January to the 31st December inclusive

(B) Words importing:

- (i) the singular number only include the plural number and vice versa;
- (ii) the masculine gender only include the feminine gender;
- (iii) persons include corporations.

(C) References to:

- (i) "mental disorder" mean mental disorder as defined in section 1 of the Mental Health Act 1983 and "mentally disordered" shall be construed accordingly;
- (ii) any section or provision of the Law, if not inconsistent with the subject or context, include any corresponding or substituted section or provision of any Statute amending consolidating or replacing the Law;
- (iii) an Article by number are to the particular Article of these Articles.
- (iv) *share* includes a fraction of a share and save where these Articles otherwise provide, a fraction of a share shall rank *pari passu* and proportionately with a whole share of the same class

(D) Subject as aforesaid, any word or expression defined in the Statutes shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

(E) The headings are inserted for convenience only and shall not affect the construction of these Articles.

2. No regulations for management of a company set out in any regulations or in any schedule to any statute concerning companies registered in Guernsey or the United

Kingdom shall apply to the Company, but the following shall be the Articles of Incorporation of the Company.

### **STANDARD ARTICLES NOT TO APPLY**

3. The standard articles prescribed by the States of Guernsey Commerce and Employment Department pursuant to Section 16(2) of the Law shall not apply to the Company.

### **SHARE CAPITAL**

4. The Board is generally and unconditionally authorised to exercise all powers of the Company to issue an unlimited number of shares.
5. All the Ordinary Shares created hereunder shall constitute one class and rank *pari passu* in all respects.
6. The special rights privileges restrictions and limitations attaching to the Deferred Shares are as follows:
  - (a) as regards dividends, the Deferred Shares shall carry no right to any dividend;
  - (b) as regards capital, or of a return of assets on a liquidation or otherwise, the holders of the Deferred Shares shall be entitled to the amount paid up thereon per share after payment of the Company's liabilities and after the holders of the Ordinary Shares shall have received £1,000,000 per share;
  - (c) as regards voting, the holders of the Deferred Shares shall not (in respect of the holdings of such shares) be entitled to receive notice of or attend and vote at general meetings of the Company;
  - (d) notwithstanding any of the provisions of these Articles, and unless specifically required by the provisions of the Statutes, the Company shall not be required to issue any certificates in respect of the Deferred Shares; and
  - (e) the Deferred Shares may be converted into Ordinary Shares by a resolution of the Board, and upon such conversion the share capital of the Company shall be adjusted accordingly.
7. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares (which special rights shall not be affected, modified or abrogated except with such consent or sanction as is provided in these Articles), any share may be issued with or have attached thereto such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, and either at par, at a premium or at a discount, as a majority of the Directors may determine.
8. The Company may issue fractions of shares in accordance with and subject to the Statutes, provided that:
  - (a) a fraction of a share shall be taken into account in determining the entitlement of a Member as regards dividends or on a winding up; and
  - (b) a fraction of a share shall not entitle a Member to a vote in respect thereof.

9. Subject to the Statutes, 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.
10. The Company may make arrangements on the issue of shares for a difference between the Members in the amounts and times of payment of calls on their shares.
11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
12. The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Statutes provided that the rate per cent or the amount of the commission paid or agreed to be paid shall not exceed the rate of 10 per cent of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10 per cent of such price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
13. The Company may hold treasury shares in accordance with the Statutes.
14. The Company shall have power, subject to and in accordance with the Statutes, to purchase any of its own shares and, with respect to such shares, cancel them or hold them as treasury shares.
15. If two or more persons are registered as joint holders of any share any one of such persons may give effective receipts for any dividends or other moneys payable in respect of such share, but such power shall not apply to the legal personal representatives of a deceased member.
16. The Company shall not be bound to register more than four persons as joint holders of any share.
17. Except as otherwise expressly provided by these Articles or as required by law or as ordered by a Court of competent jurisdiction, no person shall be recognised by the Company as holding any share on any trust, and the Company shall not be bound by or required to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any right whatsoever in respect of any share or any interest in any fractional part of a share other than an absolute right to the entirety thereof in the registered holder.
18. Every Member (except a recognised clearing house or nominee and a holder of shares in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) shall be entitled, without payment, to receive within two months after allotment or lodgment of a transfer (unless the conditions of issue provide for a longer interval) one certificate under the Seal for all the shares of each class registered in his name, specifying the number, class, and distinguishing numbers (if any) of the shares in respect of which it is issued and the amount paid up thereon.
19. If and so long as all the issued shares in the capital of the Company or all the issued shares of a particular class are fully paid up and rank *pari passu* for all purposes, then none of those shares shall bear a distinguishing number. In all other cases each share shall bear a distinguishing number.

20. 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.
21. Where a member has transferred part only of the shares comprised in a certificate, the old certificate shall be cancelled and he shall be entitled without charge to a certificate for the balance of his shares.
22. Every certificate for shares or debentures or representing any other form of security of the Company shall in accordance with Article 145 be issued under the Seal, or an official seal kept by the Company or, in the case of shares on a branch register, an official seal for use in the relevant territory.
23. No certificate shall be issued representing shares of more than one class, or in respect of shares held by a recognised clearing house or nominee or a holder of shares in respect of which the Company is not required by law to complete and have ready a certificate.
24. (A) Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.  
(B) If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Board may, if it thinks fit, comply with such request.  
(C) If any share certificate shall be defaced, worn out, destroyed or lost, it may on request be renewed on such evidence being produced and such indemnity (if any) being given as the Board shall require, and on payment of any exceptional out-of-pocket expenses of the Company of investigating such evidence and (in the case of defacement or wearing out) on delivery up of the old certificate, but without any further charge.  
(D) In the case of shares held jointly by several persons any such request mentioned in this Article may be made by any one of the joint holders.

#### **LIEN ON SHARES**

25. The Company shall have a first and paramount lien upon the shares registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts, liabilities and engagements, solely or jointly with any other person, to or with the Company, whether the period for the payment, fulfilment 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 and to all moneys paid in advance of calls thereon; unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien (if any) on such shares.
26. The Board may sell all or any of the shares subject to any lien at such time or times and in such manner as it may think fit but no sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof are or is presently payable or 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 or specifying the liability or engagement and demanding payment or fulfilment 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 reason of death

or bankruptcy by transmission to the shares, and default in payment, fulfilment or discharge shall have been made by him or them for seven days after service of such notice.

27. The net proceeds of any sale of shares subject to any lien 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 person (if any) entitled by reason of death or bankruptcy by transmission to the shares so sold.
28. Upon any such sale as aforesaid, the Board may authorise a person to transfer the shares sold to the purchaser and may enter the purchaser's name in the Register as holder of the shares, and the purchaser 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.

### **CALLS ON SHARES**

29. Subject to the provisions of these Articles and to the terms of allotment of the shares, the Board may from time to time make such calls on the Members in respect of all moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) as it may think fit, provided that fourteen days' notice at least is given of each call. Each Member shall be liable to pay the amount of every call so made on him to the persons, by the instalments (if any) and at the times and places appointed by the Board. A call may be revoked or the time fixed for its payment postponed by the Board.
30. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed.
31. The joint holders of a share shall be jointly and severally liable for the payment of all calls and instalments in respect thereof.
32. If before or on the day appointed for payment thereof a call or instalment 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 instalment at such rate not exceeding 15 per cent. per annum as the Board shall fix from the day appointed for payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part.
33. No member shall be entitled to receive any dividend or to be present and vote at any General Meeting either personally or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other 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).
34. Any sum which by the terms of issue 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.
35. The Board 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.



36. The Board may, if it thinks fit, receive from any member willing to advance the same all or any part of the moneys due on his shares beyond the sums actually called up thereon, and on 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 Board may pay or allow such interest as may be agreed between it and such member, in addition to the dividend payable upon such part of the share in respect of which such advance has been made as is actually called up; provided that no dividend shall be payable on so much of the moneys paid up on a share as exceeds the amount for the time being called up thereon. The Board may at any time repay the amount so advanced on giving to such Member not less than three months' notice in writing of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the share in respect of which it was advanced.

### **TRANSFER OF SHARES**

37. Under and subject to the Regulations and the System's Rules, the Board shall have power to implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of the Relevant System. Where they do so, Articles 38 and 39 shall commence to have effect immediately prior to the time at which the Operator admits the class to settlement by means of the Relevant System.
38. In relation to any class of shares which, for the time being, an Operator has admitted to settlement by means of the Relevant System, and for so long as such class remains so admitted, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with:
- (a) the holding of shares of that class in Uncertificated form;
  - (b) the transfer of title to shares of that class by means of that Relevant System; or
  - (c) the Regulations or the System's Rules.
39. Without prejudice to the generality of Article 38 and notwithstanding anything contained in these Articles where any class of shares is, for the time being, admitted to settlement by means of the Relevant System:
- (d) such securities may be issued in Uncertificated form in accordance with and subject as provided in the Regulations and the System's Rules;
  - (e) unless the Board otherwise determines, such securities held by the same holder or joint holder in certificated form and Uncertificated form shall be treated as separate holdings;
  - (f) such securities may be changed from Uncertified to certificated form, and from certificated to Uncertificated form, in accordance with and subject as provided in the Regulations and the System's Rules;
  - (g) title to such of the shares as are recorded on the Register as being held in Uncertificated form may be transferred only by means of the Relevant System and as provided in the Regulations and the System's Rules and accordingly (in particular) no provision of these Articles shall apply in respect of such shares to the extent that these Articles require or contemplate the effecting of a transfer by an instrument in writing and the production of a certificate for the security to be transferred;

- (h) the Company shall comply in all respects with the Regulations and the System's Rules;
  - (i) no provision of these Articles shall apply so as to require the Company to issue a certificate to any person holding such shares in Uncertificated form; and
  - (j) the permitted number of joint holders of a share shall be four.
40. Words and expressions not specifically defined in Articles 37, 38 and 39 shall bear the same meaning as those words and expressions defined in the Regulations and the System's Rules.
41. Subject to such of the restrictions of these Articles as may be applicable, any member may transfer all or any of his Uncertificated shares by means of a Relevant System in such manner provided for, and subject to the Regulations and the System's Rules and accordingly no provisions of these Articles shall apply in respect of an Uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the shares to be transferred.
42. Subject to such of the restrictions contained in these Articles as may be applicable, any Member may transfer all or any of his Certificated Shares by instrument in writing in any usual or common form, or in such other form as the Board shall from time to time approve. The Board may at any time after the allotment of any share but before any person has been entered in the Register as the holder thereof recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board may think fit to impose.
43. Such instrument of transfer must (if so required by law) be duly stamped and be left at the Office, or at such other place as the Board may appoint, accompanied by the certificate for the shares to be transferred and such other evidence (if any) as the Board may require to prove the title of the intending transferor (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so).
44. Every instrument of transfer must be in respect of only one class of share.
45. The instrument of transfer of a share shall be signed by or on behalf of the transferor, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof.
46. In the case of a partly paid up share the instrument of transfer must also be signed by or on behalf of the transferee.
47. All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall (except in case of fraud) be returned to the party presenting the same.
48. The Board may only decline to register a transfer of an Uncertificated share in the circumstances set out in regulations issued for this purpose under the law and the Regulations and the System's Rules, and where, in the case of a transfer to joint holders, the number of joint holders to whom the Uncertificated share is to be transferred exceeds four.
49. The Board may, in its absolute discretion, and without assigning any reason refuse to register a transfer of any share (not being a fully paid up share) to a person of

whom it does not approve and refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien

50. If the Board shall refuse to register a transfer of any share, it shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of such refusal.
51. The registration of transfers of shares or of any class of shares may be suspended at such times and for such periods as the Board may from time to time determine provided that such registration shall not be suspended for more than thirty days in any year.
52. No fee shall be charged:
  - (i) for registration of a transfer; or
  - (ii) on the registration of any probate, letters of administration, certificate of death or marriage, power of attorney, notice or other instrument relating to or affecting the title to any shares.
53. Nothing in these Articles shall prevent title to any securities of the Company from being evidenced and transferred without a written instrument in accordance with statutory regulations from time to time made under the Statutes and the Board shall have power to implement any arrangements it may think fit for such evidencing and transfer which accord with those regulations.

#### **TRANSMISSION OF SHARES**

54. 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 recognised by the Company as having any title to his shares, but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.
55. Subject to the provisions of these Articles, any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, on such evidence as to his title being produced as the Board may require, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof.
56. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by executing a transfer of such share to such person. All the provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member.
57. A person entitled to a share by death or bankruptcy by transmission shall be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of it to receive notices 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. The Board may at any time give notice requiring any such person to elect either to be registered himself or to

transfer the share and if the notice is not complied with within 60 days the Board may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

### FORFEITURE OF SHARES

58. (A) If a 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 Board 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 death or bankruptcy by transmission requiring payment of such call or instalment or such part thereof as remains unpaid, together with interest at such rate not exceeding 15 per cent. per annum as the Board shall determine and any expenses incurred by the Company by reason of such non-payment.
- (B) The notice shall:
- (i) name a further day (not earlier than the expiration of seven days from the date of the notice) on or before which such call or instalment or part thereof and all interest and expenses that have accrued by reason of such non-payment are to be paid;
  - (ii) name the place where the payment is to be made; and
  - (iii) 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 or instalment was due will be liable to be forfeited.
- (C) If the requirements 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 Board 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.
59. 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 reason of death or bankruptcy 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 in respect of such share; but the provisions of this paragraph 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.
60. Notwithstanding any such forfeiture as aforesaid, the Board may, at any time before the forfeited shares have been otherwise disposed of, annul the forfeiture, on the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share and on such further terms (if any) as it shall see fit.
61. The Board may accept a surrender of any share liable to be forfeited hereunder.
62. Every share which shall be forfeited or surrendered shall thereupon become the property of the Company and within three years of such forfeiture may be sold, cancelled, re-allotted or otherwise disposed of either to the person who was before forfeiture or surrender the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board shall think fit, and the Board may

if necessary authorise a person to transfer the same to such other person as aforesaid.

63. A shareholder whose shares have been forfeited or surrendered shall cease to be a Member but nevertheless be liable to pay to the Company all calls made and not paid on such shares at the time of forfeiture or surrender, and interest thereon to the date of payment in the same manner in all respects as if the shares had not been forfeited or surrendered, 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 or surrender without any reduction or allowance for the value of the shares at the time of forfeiture.
64. The forfeiture or surrender of a share shall involve the extinction at the time of forfeiture or surrender of all interest in and all claims and demands against the Company in respect of the share as between the shareholder whose share is forfeited or surrendered and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Statutes given or imposed in the case of past Members.
65. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share has been duly forfeited or surrendered in pursuance of these Articles, and stating the date on which it was forfeited or surrendered, shall, as against all persons claiming to be entitled to the share adversely to the forfeiture or surrender thereof, be conclusive evidence of the facts therein stated and such declaration, together with the receipt of the Company for the consideration (if any) given for the share on the sale or disposition thereof and a certificate for the share under the Seal delivered to the person to whom the same is sold or disposed of, shall constitute a good title to the share. Subject to the execution of any necessary transfer such person shall be registered 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 or other consideration (if any), nor shall his title to the share be affected by any act, omission or irregularity relating to or connected with the proceedings in reference to the forfeiture or surrender, sale, re-allotment or disposal of the share.

#### **ALTERATIONS OF CAPITAL AND PURCHASE OF SHARES**

66. The Members may by Ordinary Resolution alter the Company's capital in accordance with Section 287 of the Law.

#### **MODIFICATION OF CLASS RIGHTS**

67. All or any of the rights, privileges, or conditions for the time being attached to any class or group of shares may be affected, altered, modified, commuted, abrogated or dealt with, subject to the right (if any) of aggrieved Members to apply to the Court for a variation or cancellation as provided in the Statutes:
- (1) by an agreement between the Company and any person purporting to contract on behalf of the holders of shares of the class or group affected, provided that such agreement is ratified in writing by the holders of at least two-thirds in nominal value of the issued shares of the class or group affected, or
  - (2) with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a resolution passed by a majority of three-fourths of the votes of the holders of shares of the class or group affected entitled to vote and voting in person or by attorney or proxy and passed at a separate meeting of the holders of such shares, but not otherwise. To any such meeting all the provisions of these Articles shall mutatis mutandis

apply, but so that the necessary quorum shall be Members of the class or group affected, holding or representing by proxy one-third of the capital paid on the issued shares of the class or group affected (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Members who are present shall be a quorum) provided that this paragraph is not to derogate from any power the Company would have had if this paragraph were omitted.

### **GENERAL MEETINGS**

68. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. Not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Board shall determine. All General Meetings, other than Annual General Meetings, shall be called Extraordinary General Meetings.
69. The Board may call an Extraordinary General Meeting whenever it thinks fit, and Extraordinary General Meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by the Statutes. In the case of an Extraordinary General Meeting called in pursuance of a requisition, unless such meeting shall have been called by the Board, no business other than that stated in the requisition as the objects of the meeting shall be transacted.
70. Unless special notice is required by the Law, all general meetings shall be called by ten 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 in the case of special business, the general nature of that business and shall be given in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company by Ordinary Resolution, to such persons as are, by these Articles, 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 this Article, be deemed to have been duly called if it is so agreed by all the Members entitled to attend and vote thereat. The accidental omission to give such notice to, or the non-receipt of such notice by, any such person shall not invalidate any resolution passed or proceeding at any such meeting. Every notice convening an Annual General Meeting of the Company shall describe the meeting as an Annual General Meeting.
71. In every notice calling a General Meeting of the Company there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and (on a poll) vote instead of him and that a proxy need not also be a Member.
72. In cases where instruments of proxy are sent out with notices, the accidental omission to send such instrument of proxy to, or the non-receipt of such instrument of proxy by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.

### **PROCEEDINGS AT GENERAL MEETINGS**

73. All business that is transacted at an Extraordinary General Meeting shall be deemed special and all business that is transacted at an Annual General Meeting shall also be deemed special, with the exception of the declaration or sanctioning of a dividend, the consideration of the accounts and balance sheet and the reports of the Directors and the Auditors and any other documents required to be annexed to the balance sheet, the election of Directors in place of those retiring, the

re-appointment of the Auditors retiring and the fixing of the remuneration of the Directors and the Auditors.

74. (A) No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. For all purposes the quorum shall be not less than two Members present in person or by proxy.
- (B) If within fifteen minutes 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 other day and at such time and place as the Board may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the Members present in person or by proxy shall be a quorum.
75. The Chairman (if any) of the Board shall preside at every General Meeting of the Company. 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 unwilling to act as Chairman, the Deputy Chairman (if any) shall if present and willing to act preside at such meeting but if the Chairman and Deputy Chairman shall not be so present and willing to act the Directors present shall choose one of their number to act, or if there be only one Director present he shall be Chairman if willing to act. If there be no Director present and willing to act, the Members present and entitled to vote shall choose one of their number to be Chairman of the Meeting.
76. The Chairman may, with the consent of any General Meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any 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, seven clear days' notice at the least, specifying the place, the day, and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any 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.
77. At any General Meeting a resolution put to a 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:
- (i) the Chairman; or
  - (ii) in writing by at least five persons entitled to vote at the meeting; or
  - (iii) in writing by a Member or Members representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or
  - (iv) in writing 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.

78. 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, shall be conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

79. If:

- (i) any objection is raised to the qualification of any voter; or
- (ii) any votes have been counted which ought not to have been counted or which might have been rejected; or
- (iii) any votes are not counted which ought to have been counted

the objection or error shall not vitiate the decision of the meeting on any resolution unless the same is raised or pointed out at the meeting or adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the Chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the Chairman decides that the same is of sufficient magnitude to vitiate the resolution or may otherwise have affected the decision of the meeting. The decision of the Chairman on such matters shall be final and conclusive.

80. If a poll be demanded in the manner aforesaid, it shall (subject as provided in Article 75) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded, as the Chairman shall direct. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

81. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith.

82. In the case of an equality of votes, either on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll was demanded shall be entitled to a second or casting vote.

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

## **VOTING**

84. 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, by proxy or by attorney shall have one vote, and on a poll every member present in person, by proxy or by attorney shall have one vote for each share of which he is the holder.

85. Where in Guernsey, England or elsewhere a liquidator, receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Member on the grounds (however formulated) of mental disorder, the Board may in its absolute discretion, on or subject to production of such evidence of the appointment as the Board may require, permit such receiver or other person to vote in person or by proxy on behalf of such member at any General Meeting.



86. If two or more persons are jointly entitled to a share, then in voting on any question the vote of the senior who tenders the vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other registered holders of the share, and for this purpose seniority shall be determined by the order in which the names stand in the Register.
87. No member shall, unless the Board otherwise determines be entitled to vote at a General Meeting either personally or by proxy or to exercise any privilege as a member unless all calls or other sums presently payable by him in respect of shares in the Company have been paid
88. On a poll:
- (i) votes may be given either personally or by proxy (a proxy not being entitled to vote except on a poll); and
  - (ii) a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
89. Any person (whether a member of the Company or not) may be appointed to act as a proxy. A member may appoint two or more persons as proxies in the alternative but if he shall do so only one of such proxies may attend as such and vote instead of such member on any one occasion.
90. Subject to the provisions of the Law, the instrument appointing a proxy shall be in any common form or in such other form as the Directors may approve and (i) if in writing but not sent in electronic form, made under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation under its common seal or under the hand of an officer or attorney duly authorised in that behalf, or (ii) if sent in electronic form, submitted by or on behalf of the appointor and authenticated.
91. Subject to Article 92, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of that power or authority certified notarially or in some other way approved by the Directors shall:
- (a) in the case of an instrument in writing (including, whether or not the appointment of a proxy is sent in electronic form, any such power of attorney or other authority) be deposited at the Company's registered office not less than 48 hours (excluding any days which are not Business Days) before the time of the holding of the meeting or adjourned meeting at which the person named in the appointment proposes to vote; or
  - (b) in the case of an appointment sent in electronic form, where a Relevant Electronic Address has been specified for the purpose of receiving documents of information sent in electronic form;
    - (i) in the notice convening the meeting; or
    - (ii) in any instrument of proxy sent out by the Company in relation to the meeting; or
    - (iii) in any invitation sent in electronic form to appoint a proxy issued by the Company in relation to the meeting,
- be received at such an address not less than 48 hours (excluding any days which are not Business Days) before the time for holding the meeting or

adjourned meeting at which the person named in the appointment proposes to vote; or

(c) in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours (excluding any days which are not Business Days) before the time appointed for taking the poll; or

(d) in the case of a poll not taken forthwith but taken not more than 48 hours (excluding any days which are not Business Days) after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairman of the meeting or any Director, the Secretary or some other person authorised by the Company.

92. The Directors may in their absolute discretion elect to treat as valid any instrument appointing a proxy which is deposited later than the times specified in Article 91. If the Directors so elect, the person named in such instrument of proxy shall be entitled to vote.

93. A Member may appoint more than one proxy to attend on the same occasion provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. Where multiple proxies have been appointed to exercise rights attached to different shares, on a show of hands those proxy holders taken together will collectively have the same number of votes as the Member who appointed them would have on a show of hands if he were present at the meeting. On a poll, all or any of the rights of a Member may be exercised by one or more duly appointed proxies. Where the same proxy has been appointed by more than one Member, that proxy is permitted to vote on a show of hands both “for” and “against” as applicable in order to reflect the different voting instructions.

94. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and shall be as valid for any adjournment as for the meeting to which it relates.

95. The Board may at the expense of the Company send, by post or otherwise, instruments of proxy (reply-paid or otherwise) to Members for use at any General Meeting or at any meeting of any class of Members of the Company, either in blank or nominating in the alternative any one or more of the Directors or any other persons. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the expense of the Company, such invitations shall be issued to all (and not some only) of the Members entitled to be sent a notice of the meeting and to vote thereat by proxy.

96. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or the revocation of the instrument of proxy, or of the authority under which the instrument of proxy was executed, or the transfer of the share in respect of which the instrument of proxy is given, provided that no intimation in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office, or at such other place as is referred to in Article 85, at least one hour before the commencement of the meeting or adjourned meeting or the taking of the poll at which the instrument of proxy is used.

97. Subject to the Statutes, a resolution in writing signed within 28 days of the date of circulation of such written resolution by or on behalf of the requisite majority of eligible Members who, on the date when the resolution is to be passed, would be

entitled to vote on the resolution if it were proposed at a meeting, shall be as effective as if the same had been duly passed at a general meeting.

### **CORPORATIONS ACTING BY REPRESENTATIVES**

98. 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 at any meeting 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.

### **PRESIDENT**

99. (A) The Board may from time to time appoint any Director or any other person to be President and may determine the period for which he is to hold office.
- (B) Any such appointment may be made on such terms as to remuneration and otherwise as the Board shall from time to time determine.
- (C) It shall be the duty of the President to advise the Board on such matters as he or it may deem to be of interest to the Company but the President shall not by virtue of his office as such have any powers or duties in relation to the management of the business of the Company.

### **DIRECTORS**

100. The number of Directors shall not be less than two.
101. A Director shall not be required to hold any qualification shares but shall be entitled to receive notice of, attend and speak at all General Meetings of the Company and of any class of Members of the Company.
102. Each of the Directors shall be entitled to receive such remuneration for his services as the Board may determine. The remuneration may be made payable by way of salary, commission, participation in profits, share options or by all or any of those modes, or otherwise as may be thought expedient and it may be a term of his appointment that he shall receive a pension, gratuity or other benefit on his retirement. The Directors shall also be entitled to be repaid all reasonable expenses reasonably incurred by them in or about the performance of their duties as Directors.
103. Subject as herein otherwise provided, the office of a Director shall be vacated:
- (A) if a receiving order is made against him or he makes any arrangement or composition with his creditors generally;
- (B) if he absents himself from the meetings of the Board during a continuous period of six months without special leave of absence from the Board, and the Board passes a resolution that he has by reason of such absence vacated his office;
- (C) if he is prohibited from being a Director by any order made under any provision of the Statutes;
- (D) if in England or Guernsey or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however

formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;

- (E) if by notice in writing given to the Company he resigns his office; or
- (F) if he is removed from office pursuant to Article 127,

but any act done in good faith by a Director whose office is vacated as aforesaid shall be valid unless, prior to the doing of such act, written notice shall have been served upon the Company or an entry shall have been made in the Directors' minute book stating that such Director has ceased to be a Director of the Company.

#### **DIRECTORS' CONTRACTING WITH THE COMPANY**

104. Subject to the provisions of the Statutes, no Director or intending Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into on behalf of the Company in which any Director is in any way directly or indirectly interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relationship thereby established, provided the nature and extent of this interest has been declared by him at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement, then at the next meeting of the Board held after he became so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made, then at the first meeting of the Board held after he becomes so interested. A general notice in writing given to the Board by any Director to the effect that he is a member of any specified company or firm, and is to be regarded as interested in any contract which may thereafter be made with such company or firm, shall (if such Director shall give the same at a meeting of the Board or shall take reasonable steps to secure that the same is brought up and read at the next meeting of the Board after it is given) be deemed a sufficient declaration of interest in relation to any contract so made. 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.
105. Save as hereinafter in these Articles provided a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum of a meeting in relation to any resolution on which he is debarred from voting.
106. A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:
- (i) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
  - (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he

himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

- (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (iv) any proposal concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to Members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all the circumstances);
- (v) any proposal concerning the adoption modification or operation of a superannuation fund or retirement, death or disability benefits scheme under which he may benefit and which has been approved by or is subject to and conditional on approval by the Board of HMRC for taxation purposes;
- (vi) any proposal relating to any arrangement for the benefit of employees under which he benefits or may benefit in a similar manner as the employees and which does not accord to him as a Director any privilege or advantage not generally accorded to the employees to whom the arrangement relates; or
- (vii) any proposal concerning the purchase and/or maintenance of any insurance policy under which a Director may benefit.

107. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately. In such case each of the Directors concerned (if not debarred from voting under the proviso to paragraph (iv) of Article 106) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
108. If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive, except in a case where the nature or extent of the interest of the Director concerned has not been fairly disclosed.
109. Any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to a remuneration for professional services as if he were not a Director provided that nothing herein contained shall authorise a Director or his firm to act as the Auditors.
110. Any Director may continue to be or become a director of, or hold any other office or place of profit under, any other company in which the Company may be interested, and no such Director shall be accountable for any remuneration, salary, commission, participation in profits, pension, superannuation or other benefits received by him as a director of, or holder of any other office or place of profit

under, or member of, any such other company. The Board may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner in all respects as it may think fit (including the exercise thereof in favour of any resolution appointing the Directors or any of them directors of such company, or voting or providing for the payment of remuneration to the directors of such company).

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

111. The business of the Company shall be managed by the Board, which 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 Statutes or by these Articles required to be exercised or done by the Company in General Meeting, subject nevertheless to the provisions of the Statutes and of these Articles and to such regulations (not being inconsistent with such aforesaid provisions) as may be prescribed by the Company in General Meeting, but no regulation made by the Company on General Meeting shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.
112. The Board may at any time and from time to time and by power of attorney under the Seal appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
113. The continuing Directors may act as a Board 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 a Board for the purpose of filling any vacancies in their body or of summoning a General Meeting of the Company, but not for any other purpose.
114. 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 (as the case may be) in such manner as the Board shall from time to time by resolution determine.

### **BORROWING POWERS**

115. The Board 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 and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

### **LOCAL BOARDS**

116. The Board may establish any committees, local boards or agencies for managing any of the affairs of the Company either in Guernsey, the United Kingdom or elsewhere, and may appoint any persons to be members of such committees, local boards or agencies and may fix their remuneration, and may delegate to any

committee, local board, or agent any of the powers, authorities and discretions vested in the Board (other than the powers set out in Article 142 (B)), with power to sub-delegate, and may authorise the members of any local board, or any of them, to fill any vacancies, and any such appointment or delegation may be on such terms and subject to such conditions as the Board may think fit. The Board may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

### **MANAGING DIRECTOR AND OTHER APPOINTMENTS**

117. The Board may from time to time appoint any one or more of its body to the office of Managing Director and/or such other office in the management of the business of the Company or place of profit under the Company, except that of the Auditors, as it may decide for such period and on such terms as it thinks fit, and may vest in such Managing Director or such other officer such of the powers hereby vested in the Board as it may think fit, and such powers may be made exercisable for such period or periods, and on such conditions and subject to such restrictions, and generally on such terms as to remuneration and otherwise, as it may determine. The remuneration of a Managing Director or such other officer 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 his appointment that he shall receive a pension, gratuity or other benefit on his retirement.
118. A Managing Director or such other officer as is referred to in Article 117 shall be subject to annual retirement pursuant to Article 119 and in all other respects he shall be subject to the same provisions as to removal as the other Directors of the Company, and he shall (subject to the provisions of any contract of service between him and the Company) ipso facto and immediately cease to be Managing Director or holder of such other office if he ceases to hold the office of Director for any cause.

### **ROTATION, APPOINTMENT AND REMOVAL OF DIRECTORS**

119. At each Annual General Meeting one-third of the Directors for the time being, (or, if their number is not a multiple of three, the number nearest one-third) shall retire from office. The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as among persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.
120. Unless and until otherwise determined by the Company by Ordinary Resolution, either generally or in any particular case, no Director shall vacate or be required to vacate his office as a Director on or by reason of his attaining or having attained the age of seventy, and any Director retiring or liable to retire under the provisions of these Articles and any person proposed to be appointed a Director shall be capable of being re-appointed or appointed, as the case may be, as a Director notwithstanding that at the time of such re-appointment or appointment he has attained the age of seventy and no special notice need be given of any resolution for the re-appointment or appointment or approving the appointment as a Director of a person who shall have attained the age of seventy, and it shall not be necessary to give to the Members notice of the age of any Director or person proposed to be re-appointed or appointed as such.

121. Article 119 shall not apply to any Director exempted from its requirements either generally or for a specified period of time by these Articles or by Ordinary Resolution of the Company.
122. A retiring Director shall be eligible for re-election.
123. The Company at the meeting at which a Director retires in manner aforesaid may fill the vacated office by electing a person thereto, and in default the retiring Director shall if offering himself for re-election be deemed to have been re-elected except in any of the following cases:
  - (i) at such meeting it is expressly resolved not to fill such vacated office or a resolution for the re-election of such Director is put to the meeting and lost; or
  - (ii) such Director has given notice in writing to the Company that he is unwilling to be re-elected; or
  - (iii) such Director has attained any retiring age applicable to him as Director pursuant to the Statutes.
124. A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any General Meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.
125. No person other than a Director retiring at the meeting shall, unless recommended by the Board, be eligible for election to the office of Director at any General Meeting unless not less than seven nor more than twenty one days before the date appointed for the meeting there shall have been left at the Office (or, if a Relevant Electronic Address or another electronic address has been specified by the Company for such purposes, sent to the Company's Relevant Electronic Address or other electronic address) a notice in writing signed by a member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election, and also notice in writing signed by that person of his willingness and eligibility under the Law to be so elected.
126. The Board shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors.
127. Any Director appointed to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the conclusion of the next following Annual General Meeting and shall then be eligible for re-election.
128. The Company may by Ordinary Resolution remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim which such Director may have for damages for breach of any contract of service between him and the Company.
129. The Company may by Ordinary Resolution appoint another person in place of a Director removed from office under Article 128 and without prejudice to the powers of the Directors under Article 124 the Company in General Meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director. A person appointed in place of a Director so removed or to fill



such a vacancy shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

#### **DIVISIONAL DIRECTORS**

130. (A) The Board may from time to time appoint any manager or other officer or person in the employment of any company in the Group for the time being to be a Divisional Director of the Company.
- (B) The appointment of a person to be a Divisional Director shall not, save as otherwise agreed between him and the Company or the subsidiary (if any) in whose service he may be, affect the terms and conditions of his employment by the Company or by any such subsidiary, whether as regards duties, remuneration, pension or otherwise, and his office as a Divisional Director shall be vacated in the event of his being removed from office by a resolution of the Board.
- (C) The appointment, removal and remuneration of a Divisional Director shall be determined by the Board with full powers to make such arrangements as the Board may think fit, and the Board shall have the right to enter into any contract on behalf of the Company or to transact any business of any description without the knowledge or approval of any Divisional Director, except that no act shall be done that would impose any personal liability on any or all of the Divisional Directors except with his or their knowledge and consent.
- (D) In calculating the number to form a quorum at any meeting of the Board any Divisional Director shall not be counted.
- (E) A Divisional Director shall not be entitled to receive notice of or to vote at a meeting of the Board or (except when expressly invited by the Board to do so) to attend a meeting of the Board. He shall not require any share qualification and shall not be deemed to be a Director for the purposes of the Statutes or these Articles.

#### **ALTERNATE DIRECTORS**

131. (A) Each Director shall have the power to nominate any other Director or any person approved for that purpose by Resolution of the Board and who has consented and is eligible under the Law to act as alternate Director at Meetings of the Board in his place during his absence and, at his discretion, to revoke such nomination.
- (B) Any appointment or removal of an alternate Director shall be effected by an instrument in writing delivered at the Office and signed by the appointor.
- (C) An alternate Director shall (except when absent from Guernsey or the United Kingdom) be entitled to receive notice of meetings of the Board and of any committee of the Board of which the appointor is a member and to attend and to vote at any such meeting and to perform thereat all the functions of his appointor. An alternate Director shall have one vote for each Director whom he represents, in addition to his own vote if he is a Director, but he shall not be counted more than once in the quorum. If his appointor is for the time being absent from Guernsey or the United Kingdom or otherwise not available the appointee's signature to any resolution in writing of the Directors shall be as effective as the signature

of his appointor. Save as otherwise provided in these Articles, an alternate Director shall be deemed for all purposes to be 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.

- (D) An alternate Director shall be entitled to contract and to be interested in and to benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.
- (E) An alternate Director shall *ipso facto* cease to be an alternate Director if his appointor ceases for any reason to be a Director, provided that if any Director retires by rotation or otherwise but is re-elected at the same Meeting, any appointment made by him pursuant to this Article which was in force immediately before his retirement shall remain in force.

### **PROCEEDINGS OF DIRECTORS**

- 132. A Director may, and on request of a Director the Secretary shall, at any time summon a meeting of the Board.
- 133. Notice of a Meeting of the Board shall be deemed to be duly given to a Director if it is given to him either personally or by sending the same through the post addressed to him at the address given to the Company by him for this purpose. It shall not be necessary to give notice of a Board Meeting to any Director for the time being absent from Guernsey or the United Kingdom, but where such Director is represented by an alternate Director, due notice of such meeting shall be given to such alternate Director either personally or by sending the same through the post addressed to him at the address in Guernsey or the United Kingdom given to the Company.
- 134. The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit and determine the quorum necessary for the transaction of business. Any Director may participate in a meeting of the Board by means of conference telephone or similar communication equipment whereby all the Directors participating in the meeting can hear each other and the Directors participating in this manner shall be deemed to be present in person at such meeting and shall be entitled to vote or be counted in a quorum accordingly. 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 then is.
- 135. Until otherwise determined, two Directors shall be a quorum.
- 136. Questions arising at any meeting shall be decided by a majority of votes.
- 137. In case of an equality of votes the Chairman shall have a second or casting vote.
- 138. For the purpose of these Articles an alternate Director shall be counted in a quorum provided that at least one other Director or person duly appointed as an alternate Director is also present and a Director who is an alternate Director shall be entitled to a separate vote on behalf of the Director whom he is representing in addition to his own vote.

139. A resolution in writing signed by all the Directors for the time being in Guernsey or the United Kingdom, if constituting a majority of the Directors, shall be as effective for all purposes as a resolution passed at a meeting of the Board duly convened, held and constituted and may consist of several documents in like form each signed by one or more of the Directors.
140. The Board may from time to time elect or otherwise appoint a Director to be Chairman or Deputy Chairman and determine the period for which each of them is to hold office.
141. The Chairman, or in his absence the Deputy Chairman, shall preside at meetings of the Board, but if no such Chairman or Deputy chairman be elected or appointed, or if at any meeting the Chairman or Deputy Chairman be not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting.
142. (A) Except as provided in paragraph (B) of this Article the Board may delegate to:
- (i) any committee appointed under paragraph (C) of this Article;
  - (ii) any executive Director (within the scope of Article 117);
  - (iii) any board established under Article 116;
  - (iv) the Secretary; and
  - (v) any attorney or attorneys appointed under Article 112,
- such of the powers, authorities or discretions vested in it as the Board thinks fit. Such delegation may include power to sub-delegate and may be annulled or varied by the Board at any time, but no person dealing in good faith and without notice of such annulment or variation shall be affected thereby.
- (B) The following powers of the Board may not be delegated except to a committee of the Board appointed under paragraph (C) of this Article, namely:- issuing shares; making calls; declining to register transfers; determining Directors' remuneration; appointing and removing executive Directors (within the scope of Article 117); appointing Directors under Article 126; borrowing; recommending and declaring dividends; forfeiting shares or accepting surrenders.
- (C) The Board may delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (D) Any committee so formed shall in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.
- (E) Any committee shall have power unless the Board directs otherwise to co-opt as a member or members of the committee for any specific purpose any person or persons although not being members of the Board or of the Company provided that the number of such co-opted persons shall be less than one half of the total number of the committee, and no resolution of the committee shall be effective unless the majority of the members of the committee present at the meeting at which the resolution is passed are Directors.

- (F) 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.
- (G) A committee may meet and adjourn as its members think fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the Chairman shall have a second or casting vote.
- (H) The meetings and proceedings of a committee shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board, so far as the same are applicable thereto and are not suspended by any regulations imposed by the Board under or by the provisions of paragraph (D) of this Article.

143. All acts bona fide done by any meeting of the Board, or of a committee of the Board, or by any person acting as a Director or by an alternate Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, or had vacated office or was not entitled to vote, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a Director or, as the case may be, an alternate Director and had been entitled to vote.

#### **MINUTES**

144. (A) The Board shall cause minutes to be made:
- (i) of all appointments of officers made by the Board;
  - (ii) of the names of the Directors present at each meeting of the Board and of committees of the Board; and
  - (iii) of all resolutions and proceedings at all meetings of the Company and of the Board and of committees of the Board.
- (B) Any such minutes shall be conclusive evidence of any such proceedings, if they purport to be signed by the Chairman of the meeting at which the proceedings were had or by the Chairman of the next succeeding meeting.

#### **THE SEAL**

145. (A) Subject to paragraph (B) of this Article, the Board shall provide for the safe custody of the Seal, which shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf, and every instrument to which the Seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Board for the purpose: Provided that the Board may either generally or in any particular case or cases resolve (subject to such restrictions as to the manner in which the Seal may be affixed as the Board may determine) that such signatures or any of them may be affixed to certificates for shares or debentures or representing any other form of security by some mechanical means other than autographic to be specified in such resolution or that such certificates need not be signed by any person.

- (B) Subject to the Statutes, the Company may dispense with the need for the Seal, either generally or in respect of particular classes of documents, at the Board's discretion, and, whether it does or does not dispense with the Seal, a document signed by a Director and the Secretary or by any two Directors and expressed (in whatever form of words) to be executed by the Company shall have the same effect as if executed under the Seal, and a document so executed by the Company which makes it clear on its face that it is intended to be a deed shall have effect upon delivery as a deed.

146. The Company may have:

- (i) an official seal in accordance with the Statutes; and
- (ii) an official seal for use abroad under the provisions of the Statutes, where and as the Board shall determine, and the Company may by writing under the Seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company for the purpose of affixing and using such official seal and may impose such restrictions on the use thereof as may be thought fit.

Wherever in these Articles reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any of such official seals as aforesaid.

#### **SECRETARY**

147. The Secretary may be appointed by the Board for such term, at such remuneration and on such conditions as it may think fit, and if any Secretary is so appointed, may be removed by the Board.

148. Anything by the Statutes or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Board.

149. Where the Company has appointed a Secretary, and without prejudice to the responsibility of any other person or to any other responsibilities he may hold, the functions and responsibilities of a Secretary are those which are set out in any agreement under which the Secretary is appointed from time to time or, failing such agreement, the Secretary shall take reasonable steps to ensure:

- (i) that all registers and indexes are maintained in accordance with the provisions of the Law;
- (ii) that all notices and documents required to be filed or served upon the Registrar or other persons are duly so filed or served;
- (iii) that all resolutions, records and minutes of the Company are properly kept;
- (iv) that copies of the Memorandum and Articles are kept fully up to date; and
- (v) that the Directors are aware of any obligations imposed by: -
- (a) the Memorandum and Articles; and
- (b) (if applicable) the rules of any stock exchange that the Company is listed on.

#### **RECORD DATES**

150. Subject to any restriction thereon contained in the Statutes, for the purposes of serving notices of meetings, whether under the Statutes or under a provision in these Articles or any other instrument, the Directors may determine that those persons who are entered on the Register at the close of business on a day determined by the Directors shall be persons who are entitled to receive such notices provided that such day may not be more than 21 days before the day on which the notices of the meeting are sent.
151. For the purposes of determining which persons are entitled to attend or vote at a meeting, and how many votes they may cast, the Directors may specify in the notice of the meeting a time, being not more than 48 hours, excluding any days which are not Business Days, before the time fixed for the meeting, by which a person must be entered on the Register in order to have the right to attend or vote at the meeting.
152. Notwithstanding any provision to the contrary in these Articles, changes to entries on the Register after the time specified under Article 151 may at the discretion of the Directors be disregarded in determining the rights of any person to attend or vote at the meeting.
153. Subject to any restriction thereon contained in the Statutes or in the terms of issue of any share in the Company, for the purposes of issuing any share, making any distribution or paying any dividend, the Directors may determine that those persons who are entered on the Register at the close of business on a day determined by the Directors shall be the persons who are entitled to receive such shares, dividends or distributions provided that such day may not be more than 6 months before or after any date on which such dividend, distribution or issuance is given, made or paid (as appropriate).

#### **DIVIDENDS AND RESERVES**

154. The Company in General Meeting may declare dividends but no dividends shall exceed the amount recommended by the Board. The Board may, before recommending any dividend, set aside such sums as it thinks fit as a reserve to, inter alia, meet any claim on, or liabilities of, the Company or for paying off any loan capital or for any other purpose.
155. The Board may from time to time pay to the members such interim dividends as appear to the Board to be justified and in particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the Company is divided into different classes the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend but no interim dividend shall be paid on shares carrying deferred or non-preferential rights if at the time of payment any preferential dividend is in arrear. Provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights.
156. The Board may also pay half-yearly or at other suitable intervals to be settled by it any dividend which may be payable at a fixed rate if the Board is of the opinion that the payment is justified.
157. No dividend shall bear interest against the Company.

158. Any dividend unclaimed for a period of twelve years after having been declared (or, in the case of an interim dividend, remaining uncashed for a period of twelve years after having been sent) shall be forfeited and shall revert to the Company.
159. The Board may, before recommending any dividend (whether preferential or otherwise), set aside such sums as it thinks fit as a reserve or reserves which shall (subject to the Statutes) at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose, 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 Board may from time to time think fit, and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company.
160. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share.
161. All dividends shall be apportioned and (subject to any lien of the Company) paid to Members on the register on the date the dividend is declared, made or paid notwithstanding any subsequent transfer or transmission of shares proportionately to the amounts paid up 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 such share shall rank for dividend accordingly.
162. The Board may deduct from any dividend payable to any member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
163. Subject to the provisions of the Statutes, any General Meeting declaring a dividend may upon the recommendation of the Board direct payment of such dividend wholly or partly by the distribution of specific assets and in particular of paid up shares or debentures of any other company or in any one or more of such ways, and the Board shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members on the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board.
164. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque, direct debit, bank transfer, money order, or warrant sent through the post directed to the registered address of the holder or person entitled thereto or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque, direct debit, bank transfer, money order, or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable in respect of the shares held by them as joint holders.
165. In respect of shares in Uncertificated form, where the Company is authorised to do so by or on behalf of the holder or joint holders in such manner as the Board shall

from time to time consider sufficient, the Company may pay any such dividends, interest or other monies by means of the Relevant System. Every such payment shall be made in such manner as may be consistent with the System's Rules and, without prejudice to the generality of the foregoing, may include the sending by the Company or by any person on its behalf of an instruction to the Operator to credit the cash memorandum account of the holder or joint holders or, if permitted by the Company, of such person as the holder or joint holders may in writing direct.

166. The Company shall not be responsible for any loss of any cheque, warrant or order and any payment made in any manner permitted by these Articles shall be at the sole risk of the holder or joint holders. Without prejudice to the generality of the foregoing, if any such cheque, warrant or order has been, or is alleged to have been, lost, stolen or destroyed, the Board may, on request of the person entitled thereto, issue a replacement cheque, warrant or order subject to compliance with such conditions as to evidence and indemnity and the payment of out of pocket expenses of the Company in connection with the request as the Board may think fit.
167. The issue of such cheque, warrant or order, the collection of funds from or transfer of funds by a bank in accordance with such direct debit or bank transfer or, in respect of shares in Uncertificated form, the making of payment in accordance with the System's Rules, shall be a good discharge to the Company.
168. All dividends or other sums payable on or in respect of any shares which remain unclaimed may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend which has remained unclaimed for six years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company. The payment by the Board of any unclaimed dividend or other sums payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect of it.
169. A general meeting declaring a dividend may, upon the recommendation of the Board, direct that it shall be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, and where any difficulty arises in regard to the distribution, the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution of any assets and may determine that cash shall be paid to any Member upon the footing of the value so fixed in order to adjust the rights of Members and may vest any assets in trustees as may seem expedient to the Board.

#### **CAPITALISATION OF RESERVES**

170. (A) The Company may, upon recommendation of the Board, 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 and not required for payment of dividend on any shares with a preferential right to dividend and accordingly that such sum be set free for distribution amongst the Members on the record date specified in the relevant resolution who would have been entitled thereto if distributed by way of dividend and in the same proportion, 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 on the record date specified in the relevant resolution in the proportion aforesaid, or partly in the one way and partly in the other, and the Board may give effect to such resolution.

- (B) Subject to approval by the Company in General Meeting and subject as hereinafter provided, the Board may at their discretion resolve (at the same time as they resolve to recommend or to pay any dividend in respect of shares in the capital of the Company) that the holders of such fully paid shares will have the option to elect to receive in lieu of such dividend (or part thereof) an allotment of additional shares in the capital of the Company credited as fully paid provided that:
- (i) an adequate number of unissued shares is available for the purpose;
  - (ii) the approval by the Company in General Meeting may only be given in respect of a specified dividend or of any dividends declared or to be declared or paid in respect of a specified financial year;
  - (iii) the number of shares to be allotted in lieu of any amount of dividend as aforesaid shall be determined by the Board so that the value of such shares shall equal (as nearly as may be without exceeding) such amount and for this purpose the value of a share shall, if the shares are admitted to trading on AIM, be deemed to be the average of the middle market quotations of such shares on AIM (adjusted as below) on the ex-dividend date and on the next four business days and each such middle market quotation shall be adjusted by deducting therefrom the cash amount of such dividend per share except in the case of any "ex-dividend" quotation;
  - (iv) the Board after determining the number of shares to be allotted as aforesaid shall give notice in writing to the Members of the option to elect accorded to them and shall send with such notice forms of election which specify the procedure to be followed and the place at which duly completed forms of election must be lodged in order to be effective;
  - (v) following the receipt of a notice or notices of election pursuant to paragraph (iv) of this Article the Board shall allot to the holders of those shares in respect of which the share election has been or is duly exercised in lieu of the dividend (or that part of the dividend in respect of which the right of election has been accorded) such number of additional shares determined as aforesaid and for such purpose the Board shall appropriate and capitalise out of any reserve or fund which is available for distribution as they shall determine an amount equal to the aggregate nominal amount of the additional shares so to be allotted and apply the same in paying up in full the appropriate number of unissued shares for allotment and distribution to and amongst those Members who have given notices of election as aforesaid, such additional shares to rank *pari passu* in all respects with the fully paid shares then in issue save only as regards participation in the relevant dividend.

171. Whenever such a capitalisation as aforesaid shall have been resolved upon the Board shall make all appropriations and applications of the reserves resolved to be capitalised thereby and all allotments and issues of fully paid up shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to make such provision by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit including the right of the Company to retain amounts the cost of apportionment of which would be disproportionate to the amounts involved in the case of shares or debentures becoming distributable in fractions and also to 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 may be entitled on such capitalisation and (as the case may require) for the payment up by the Company on their behalf by the application thereto of their respective proportions of the reserves resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares. Any agreement made under such authority shall be effective and binding on all such Members.

### ACCOUNTS

172. The Board shall cause accounting records to be kept in accordance with the Statutes.
173. Subject to the Statutes, the Board shall from time to time determine whether, in any particular case or class of cases, or generally, and to what extent, and at what times and places and under what conditions or regulations the accounts and books of the Company, or any of them, shall be open to the inspection of Members, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company, except as conferred by the Statutes or as authorised by the Board or by resolution of the Company in General Meeting.
174. The Board shall from time to time, in accordance with the Statutes, 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 are referred to in the Statutes. The Board shall in its report state the amount which it recommends to be paid by way of dividend.
175. (A) Subject to paragraph (B) of this Article, copies of all such documents as are referred to in Article 174 and any other documents required by law to be annexed thereto shall, within 12 months after the end of the financial year to which they relate, be sent to all the Members at their registered address and to all holders of debentures of the Company and to the Auditors as required by and subject to the provisions of the Statutes.
- (B) Instead of the documents referred to in paragraph (A) of this Article, the Company may send a summary financial statement prepared in accordance with the Statutes and any relevant regulations to Members where permitted by the Statutes and any such regulations, subject to such exclusions or other arrangements as the Board may deem necessary or expedient to deal with legal or practical problems arising in any overseas territory or by virtue of shares being represented by depositary receipts or the requirements of any regulatory body or stock exchange.
- (C) This Article shall not require a copy of the documents referred to in paragraphs (A) or (B) of this Article 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.

## **AUDIT**

176. The accounts of the Company shall be examined and audited by the Auditors in accordance with the Statutes.

## **AUTHENTICATION OF DOCUMENTS**

177. Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Board and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office the officer of the Company having the custody thereof shall be deemed to be a person appointed by the Board as aforesaid.
178. A document purporting to be a copy of a resolution of the Board or an extract from the minutes of a meeting of the Board or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of the proceedings at a duly constituted meeting.

## **AUDITORS**

179. Subject to the provisions of the Statutes, all acts done by any person or persons acting as Auditors shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in their appointment or that they have at the time of their appointment not qualified for appointment.
180. The Auditors shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any member is entitled to receive, and to be heard at any General Meeting on any part of the business of the meeting which concerns them as Auditors.

## **UNTRACED SHAREHOLDERS**

181. The Company shall be entitled to sell at the best price reasonably obtainable any share or stock of a Member or any share or stock to which a person is entitled by transmission if and provided that:
- (i) for a period of twelve years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the Member or to the person entitled by transmission to the share or stock at his address on the Register, or other the last known address given by the Member or the person entitled by transmission to which cheques and warrants are to be sent, has been cashed; at least three dividends in respect of the shares in question have become payable and no dividend has been claimed, and no communication has been received by the Company from the Member or the person entitled by transmission; and
  - (ii) the Company has at the expiration of the said period of twelve years by advertisement in two national daily newspapers and in a newspaper circulating in the area in which the address referred to in paragraph (i) of this Article is located given notice of its intention to sell such share or stock; and

- (iii) the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the Member or person entitled by transmission.

To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such share or stock and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such share or stock. The company shall account to the Member or other person entitled to such share or stock for the net proceeds of such sale and shall be deemed to be his debtor, and not a trustee for him in respect of the same. Any monies not accounted for to the Member or other person entitled to such share or stock shall be carried to a separate account and shall be a permanent debt of the Company. Monies carried to such separate account may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.

### **DESTRUCTION OF DOCUMENTS**

182. The Company may destroy:

- (i) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
- (ii) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two years from the date such mandate, variation, cancellation or notification was recorded by the Company;
- (iii) any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration; and
- (iv) any other document on the basis of which any entry in the Register is made, at any time after the expiry of six years from the date on which an entry in the Register was first made in respect of it;

and it shall conclusively be presumed in favour of the Company that every share certificate so destroyed was a valid certificate duly and properly sealed and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company; provided always that:

- (a) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;
- (b) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (a) above are not fulfilled; and
- (c) references in this Article to the destruction of any document include references to its disposal in any manner.

### **NOTICES**

183. A notice may be given by the Company to any Member either personally or by sending it by post in a pre-paid envelope addressed to the Member at his registered address or by being transmitted to his Relevant Electronic Address by Electronic Communications in accordance with this Article. Unless the Law shall specify otherwise a notice shall, unless the contrary is shown, be deemed to have been:

- (i) received in the case of a notice sent by post to an address in the United Kingdom, Channel Islands or the Isle of Man, on the second day after the day of posting;
- (ii) received in the case of a notice sent by post elsewhere by airmail, on the third day after posting;
- (iii) served in the case of a notice transmitted by Electronic Communications, immediately after it was transmitted in accordance with Article 188,

excluding, in the first two cases, any day which is a Saturday, Sunday, Good Friday, Christmas Day, a bank holiday in Guernsey or a day appointed as a day of public thanksgiving or public mourning in Guernsey.

184. 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 in respect of the share.

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

186. Subject to Article 150, notice of every general meeting shall be given in any manner hereinbefore authorised to:

- (i) every Member who has supplied to the Company a registered address for the giving of notices to him;
- (ii) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member where the Member but for his death or bankruptcy would be entitled to receive notice of the meeting;
- (iii) each Director who is not a Member; and
- (iv) the Company's auditor (where the Company has one).

No other person shall be entitled to receive notices of general meetings.

187. The accidental failure to send, or the non-receipt by any person entitled to, any notice of or other document relating to any meeting or other proceeding shall not invalidate the relevant meeting or other proceeding.

188. Any Member may notify the Company of a Relevant Electronic Address or fax number for the purpose of his receiving communications by Electronic Communications from the Company, and having done so shall be deemed to have

agreed to receive, and be served with, notices and other documents from the Company by Electronic Communications of the kind to which the Relevant Electronic Address or fax number relates. In addition, if a Member notifies the Company of his Relevant Electronic Address or fax number, the Company may, but is not obliged to, satisfy its obligation to send him any notice or other document by:

- (i) publishing such notice or document on a web site; and
- (ii) notifying him by e-mail to that e-mail address or fax to that fax number that such notice or document has been so published, specifying the address of the web site on which it has been published, the place on the web site where it may be accessed, how it may be accessed and (if it is a notice relating to a shareholders' meeting) stating (i) that the notice concerns a notice of a company meeting served in accordance with the Law (ii) the place, date and time of the meeting, (iii) whether the meeting is to be an annual or extraordinary general or class meeting, and (iv) such other information as the Law may prescribe.

189. For the avoidance of doubt, any Relevant Electronic Address or fax number specified by a Member to the Company prior to the date of adoption of these Articles for the purpose of communicating by Electronic Communications will constitute a notification of that Relevant Electronic Address or fax number for the purposes of Article 188.

190. Any document or notice which, in accordance with these Articles, may be transmitted by the Company in electronic form and by Electronic Communications shall, if so transmitted, be deemed to be regarded as served immediately after it was transmitted unless the contrary is shown. Proof (in accordance with the formal recommendations of best practice contained in the guidance issued by the United Kingdom Institute of Chartered Secretaries and Administrators) that a communication was transmitted by Electronic Communications by the Company shall be conclusive evidence of such transmission.

191. A communication by Electronic Communications shall not be treated as served by the Company if it is rejected by computer virus protection arrangements.

#### **DIVISION OF ASSETS IN SPECIE**

192. The Liquidator on any winding-up of the Company (whether voluntary or under supervision or compulsory) may with the authority of a Special Resolution, divide among the Members in kind the whole or any part of the assets of the Company whether or not the assets shall consist of property of one kind, or shall consist of properties of different kinds, and for such purposes may set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between Members or 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 whereon there is any liability.

#### **INDEMNITY**

193. To the fullest extent permitted by the Statutes, the Company may indemnify any Director or a director of a group company against any liability.

## **THE REGISTER**

194. The Company shall keep a Register in accordance with the Statutes.
195. 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 holder, shall be the only persons or person recognised by the Company as having any title to or interest in 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.
196. A person entitled to shares in consequence of the death or bankruptcy of a Member shall not be entitled to receive notice of or attend or vote at any meeting, or, save as aforesaid and save as regards the receipt of such dividends as the Directors shall not elect to retain, to exercise any of the rights and privileges of a Member, unless and until he shall have been registered as the holder of the shares.

## **INSPECTION OF REGISTERS AND OTHER RECORDS**

197. Subject to the Statutes:
- (1) A Director shall be entitled at any time to inspect the Register, the minute books, the annual validation, the register of Directors and secretaries and the index, if any, of Members.
  - (2) A Member shall be entitled on giving not less than one day's notice to inspect the Register and the other documents mentioned in Article 197(1) other than the minutes of proceedings at Directors' meetings.
  - (3) Any person who is not a Director or a Member shall be entitled on giving not less than three days' notice to inspect the Register, the register of Directors and secretaries and the index, if any, of Members.
198. Subject to Article 197(2), no Member shall (as such) have any right of inspecting any accounting records or other books or documents of the Company except as conferred by the Statutes or authorised by the Directors or by Ordinary Resolution.

## **COMMON SIGNATURE**

199. The common signature of the Company may be either:
- (1) The Company name with the addition of the signature(s) of one or more Director(s), or of one or more officer(s) of the Company authorised generally or specifically by the Board for such purpose, or such other person or persons as the Board may from time to time appoint; or
  - (2) If the Board resolves that the Company shall have a common seal, the common seal of the Company affixed in such manner as these Articles may from time to time provide.

**AGRITERRA LIMITED**

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