

COMPANY NUMBER: 1557213



**TERRITORY OF THE BRITISH VIRGIN ISLANDS
BVI BUSINESS COMPANIES ACT 2004**

**AMENDED AND RESTATED
MEMORANDUM AND ARTICLES OF ASSOCIATION OF**

ZANAGA IRON ORE COMPANY LIMITED

INCORPORATED 19 NOVEMBER 2009

Amendment registered the 15 November 2010



Geneva Management Group (BVI) Ltd

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TERRITORY OF THE BRITISH VIRGIN ISLANDS
THE BVI BUSINESS COMPANIES ACT 2004
AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION
OF
ZANAGA IRON ORE COMPANY LIMITED
A COMPANY LIMITED BY SHARES

1 DEFINITIONS AND INTERPRETATION

1.1 In this Memorandum of Association and the attached Articles of Association, if not inconsistent with the subject or context:

- (a) **“Act”** means the BVI Business Companies Act and includes the regulations made under the Act;
- (b) **“Admission”** means the admission of the Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules;
- (c) **“AIM Rules”** the AIM Rules for Companies and the AIM Rules for Nominated Advisers being the rules of the London Stock Exchange governing admission to and the operations of AIM;
- (d) **“Annual General Meeting”** means a meeting of Members to be held in each year pursuant to Regulation 10;
- (e) **“Articles”** means the attached Articles of Association of the Company;
- (f) **“Board”** means the board of Directors of the Company;
- (g) **“Chairman of the Board”** and **“Chairman”** has the meaning specified in Regulation 15;
- (h) **“Code”** means the U.S. Internal Revenue Code of 1986, as amended;
- (i) **“Company”** means Zanaga Iron Ore Company Limited;
- (j) **“CREST Regulations”** means the Uncertificated Securities Regulations 2001;
- (k) **“Directors”** means the directors of the Company from time to time;
- (l) **“Distribution”** in relation to a distribution by the Company means the direct or indirect transfer of an asset, other than Shares, to or for the benefit of a Member in relation to Shares held by a Member, and whether by means of a purchase of an asset, the redemption or other acquisition of Shares, a distribution of indebtedness or otherwise, and includes a dividend;
- (m) **“Depository”** means Computershare Investor Services plc in its capacity as depositary/custodian for shares issued in uncertificated form;
- (n) **“Eligible Person”** means individuals, corporations, trusts, the estates of deceased individuals, partnerships and unincorporated associations of persons;
- (o) **“Employee Share Scheme”** means any scheme for providing incentives to employees and Directors of the Company involving share options, allocations or

awards of Shares, share appreciation rights or other similar matters involving Shares or Securities;

- (p) “**ERISA**” means the U.S. Employee Retirement Income Security Act of 1974, as amended;
- (q) “**General Meeting**” means a meeting of Members, including where the context permits an Annual General Meeting;
- (r) “**Investment Company Act**” means the United States Investment Company Act of 1940, as amended;
- (s) “**Member**” means an Eligible Person whose name is entered in the share register of the Company as the holder of one or more Shares;
- (t) “**Memorandum**” means this Memorandum of Association of the Company;
- (u) “**Prohibited Person**” means any person, as determined by the Board, to whom a sale or transfer of shares:
 - (i) would be in breach of the laws or requirements of any jurisdiction or governmental authority; or
 - (ii) may cause the Company to be classified as an "investment company" under the Investment Company Act, or required to register under or be in violation of the Investment Company Act; or
 - (iii) in circumstances (whether taken alone or in conjunction with other persons or any other circumstances appearing to the Board to be relevant) which, in the opinion of the Board, might result in the Company and/or the members as a whole incurring any liability to taxation or suffering any other regulatory, pecuniary, legal or material administrative disadvantage that the Company might not otherwise have suffered or incurred; or
 - (iv) may cause the assets of the Company to be deemed assets of an employee benefit plan as defined in and subject to ERISA, and/or a plan subject to Section 4975 of the Code or an entity whose underlying assets include plan assets by reason of such an employee benefit plan's or plan's investment in such entity, including, without limitation, as applicable, an insurance company approval account;
- (v) “**relevant system**” means a computer-based system, and procedures, which enable title to units of a security to be evidenced and transferred without a written instrument pursuant to the CREST Regulations;
- (w) “**Resolution of Directors**” means either:
 - (i) a resolution approved at a duly convened and constituted meeting of Directors of the Company or of a committee of Directors of the Company by the affirmative vote of a majority of the Directors present at the meeting who voted except that where a Director is given more than one vote, he shall be counted by the number of votes he casts for the purpose of establishing a majority; or
 - (ii) a resolution consented to in writing by all Directors or by all members of a committee of Directors of the Company, as the case may be;
- (x) “**Resolution of Members**” means either:
 - (i) a resolution approved at a duly convened and constituted meeting of the Members of the Company by the affirmative vote of a majority of the votes

of the Shares entitled to vote thereon which were present at the meeting and were voted; or

(ii) prior to Admission, a resolution consented to in writing by a majority of the votes of Shares entitled to vote thereon;

(y) **“Seal”** means any seal which has been duly adopted as the common seal of the Company;

(z) **“Securities”** means Shares and debt obligations of every kind of the Company, and including without limitation options, warrants and rights to acquire shares or debt obligations;

(aa) **“Share”** means a share issued or to be issued by the Company;

(bb) **“Special Resolution”** means either:

(i) a resolution approved at a duly convened and constituted meeting of the Members of the Company by the affirmative vote of Members holding not less than 75% of the votes of the Shares entitled to vote thereon which were present at the meeting and were voted; or

(ii) prior to Admission, a resolution consented to in writing by Members holding not less than 75% of the votes of Shares entitled to vote thereon;

(cc) **“subsidiary”** has the meaning set out in Section 4 of the Act;

(dd) **“Treasury Share”** means a Share that was previously issued but was repurchased, redeemed or otherwise acquired by the Company and not cancelled; and

(ee) **“UK Companies Act”** means the UK Companies Act 2006 including regulations made under the UK Companies Act;

(ff) **“written”** or any term of like import includes information generated, sent, received or stored by electronic, electrical, digital, magnetic, optical, electromagnetic, biometric or photonic means, including electronic data interchange, electronic mail, telegram, telex or telecopy, and “in writing” shall be construed accordingly.

1.2 In the Memorandum and the Articles, unless the context otherwise requires a reference to:

(gg) a “Regulation” is a reference to a regulation of the Articles;

(hh) a “Clause” is a reference to a clause of the Memorandum;

(ii) voting by a Member is a reference to the casting of the votes allocated/attached to the Shares held by the Member voting that shall be counted and not the actual number of members who actually voted and a reference to shares being present at a meeting shall be given a corresponding construction;

(jj) the Act, the UK Companies Act, the CREST Regulations, the Memorandum or the Articles is a reference to the Act, the UK Companies Act, the CREST Regulations, the Memorandum, the Articles or those documents as amended or re-enacted; and

(kk) the singular includes the plural and vice versa.

1.3 Any words or expressions defined in the Act unless the context otherwise requires bear the same meaning in the Memorandum and Articles unless otherwise defined herein.

1.4 Headings are inserted for convenience only and shall be disregarded in interpreting the Memorandum and Articles.

2 **NAME**

The name of the Company is Zanaga Iron Ore Company Limited.

3 **STATUS**

The Company shall be a company limited by Shares.

4 **REGISTERED OFFICE AND REGISTERED AGENT**

4.1 The first registered office of the Company is at Coastal Building, 2nd Floor, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands, the office of the first registered agent.

4.2 The first registered agent of the Company is Geneva Management Group (BVI) Ltd, of Coastal Building, 2nd Floor, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands.

4.3 The Company may change its registered office or registered agent by a Resolution of Directors or a Resolution of Members. The change shall take effect upon the Registrar registering a notice of change filed under section 92 of the Act.

5 **CAPACITY AND POWERS**

5.1 The Company has, subject to the Act and any other British Virgin Islands legislation for the time being in force, irrespective of corporate benefit:

(a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and

(b) for the purposes of paragraph (a), full rights, powers and privileges.

5.2 There are, subject to clause 5.1, no limitations on the business that the Company may carry on.

6 **NUMBER AND CLASSES OF SHARES**

6.1 The Company is authorised to issue an unlimited number of Shares with no par value of a single class.

7 **DESIGNATIONS, POWERS, PREFERENCES ETC. OF SHARES**

7.1 Subject to Regulation 18 of the Articles, each Share in the Company confers upon the Member:

(a) the right to one vote at a meeting of the Members of the Company or on any Resolution of Members;

(b) the right to an equal share in any dividend paid by the Company; and

(c) the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

7.2 The Directors may at their discretion by Resolution of Directors redeem, purchase or otherwise acquire all or any of the Shares in the Company subject to Regulation 3 of the Articles.

8 **VARIATION OF RIGHTS**

The rights attached to Shares as specified in Clause 7 may only, whether or not the Company is being wound up, be varied by a resolution passed at a meeting by the holders of more than 75 per cent of the issued Shares of that class.

9 **RIGHTS NOT VARIED BY THE ISSUE OF SHARES PARI PASSU**

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.

10 **REGISTERED SHARES**

- 10.1 The Company shall issue registered Shares only.
- 10.2 The Company is not authorised to issue bearer shares, convert registered shares to bearer shares or exchange registered shares for bearer shares.

11 **TRANSFER OF SHARES**

The Company shall, upon receipt of an instrument of transfer complying with Article 7, enter the name of the transferee of a Share in the register of members unless the Directors resolve to refuse or delay the registration of the transfer in compliance with the Articles.

12 **AMENDMENT OF MEMORANDUM AND ARTICLES**

Subject to Clause 8:

- 12.1 the Company may amend its Memorandum or Articles by a Special Resolution, or
- 12.2 if the amendment is required in connection with an application for the Shares to be admitted to trading on the AIM market of the London Stock Exchange plc, the Company may amend its Memorandum or Articles by a Resolution of Directors, save that no amendment may be made by a Resolution of Directors:
 - 12.2.1 to restrict the rights or powers of the Members to amend the Memorandum or Articles;
 - 12.2.2 to change the percentage of Members required to amend the Memorandum or Articles;
 - 12.2.3 in circumstances where the Memorandum or Articles cannot be amended by the Members; or

to Clauses 7, 8, 9 or this Clause 12 of this Memorandum of Association.

We, **Geneva Management Group (BVI) Ltd, of Coastal Building, 2nd Floor, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands** for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign this Memorandum of Association the 19th day of November 2009:

Incorporator

Sgd:Dale George-Malone
Authorised Signatory
Geneva Management Group (BVI) Ltd

TERRITORY OF THE BRITISH VIRGIN ISLANDS
THE BVI BUSINESS COMPANIES ACT 2004

AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF

ZANAGA IRON ORE COMPANY LIMITED
A COMPANY LIMITED BY SHARES

1 REGISTERED SHARES

- 1.1 Every Member is entitled to a certificate without payment signed by a Director of the Company or under the Seal specifying the number of Shares held by him and the signature of the Director and the Seal may be facsimiles.
- 1.2 Any Member receiving a certificate shall indemnify and hold the Company and its Directors and officers harmless from any loss or liability which it or they may incur by reason of any wrongful or fraudulent use or representation made by any person by virtue of the possession thereof. If a certificate for Shares is worn out or lost it may be renewed on production of the worn out certificate or on satisfactory proof of its loss together with such indemnity as may be required by a Resolution of Directors.
- 1.3 If several Eligible Persons are registered as joint holders of any Shares, any one of such Eligible Persons may request a certificate or give an effectual receipt for any Distribution and the Company shall not be bound to issue more than one certificate and delivery of a certificate to one joint holder shall be sufficient delivery to all.

2 SHARES

- 2.1 Subject to the provisions of these Articles, Shares and other Securities may be issued and an option to acquire Shares or other Securities may be granted at such times, to such Eligible Persons, for such consideration and on such terms as the Directors may by Resolution of Directors determine.
- 2.2 Section 46 of the Act shall not apply to the Company.
- 2.3 A Share may be issued for consideration in any form, including money, a promissory note, real property, personal property (including goodwill and know-how) or a contract for future services.
- 2.4 No Shares may be issued for a consideration other than money, unless a Resolution of Directors has been passed stating:
- (a) the amount to be credited for the issue of the Shares;
 - (b) their determination of the reasonable present cash value of the non-money consideration for the issue; and
 - (c) that, in their opinion, the present cash value of the non-money consideration for the issue is not less than the amount to be credited for the issue of the Shares.
- 2.5 The Company shall keep a register (the "**share register**") containing:

- (a) the names and addresses of the persons who hold Shares;
 - (b) the number of each class and series of Shares held by each Member;
 - (c) the date on which the name of each Member was entered in the share register;
and
 - (d) the date on which any Eligible Person ceased to be a Member.
- 2.6 The share register may be in any such form as the Directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until the Directors otherwise determine, the magnetic, electronic or other data storage form shall be the original share register.
- 2.7 A Share is deemed to be issued when the name of the Member is entered in the share register.
- 2.8 Nothing in these Articles shall require title to any Shares or other Securities to be evidenced by a certificate if the Act and the rules (as defined in the CREST Regulations) permit otherwise.
- 2.9 Subject to the Act, the Board, without further consultation with the holders of any Shares or other Securities, may resolve that any class or series of Shares or other Securities from time to time in issue or to be issued may be issued, held, registered, converted to, transferred or otherwise dealt with in uncertificated form in accordance with the CREST Regulations and practices instituted by the operator of the relevant systems and no provision of these Articles will apply to any uncertificated Share or other Securities to the extent that they are inconsistent with the holding of such Shares or other securities in uncertificated form or the transfer of title to any such Shares or other securities by means of a relevant system or any provision of CREST Regulations.
- 2.10 Conversion of Shares held in certificated form into Shares held in uncertificated form, and vice versa, may be made in such manner as the Board may, in its absolute discretion, think fit (subject always to the CREST Regulations and the requirements of the relevant system concerned). The Company shall enter on the relevant register of Members how many Shares are held by each Member in uncertificated form and in certificated form and shall maintain each register of Members in each case as is required by the CREST Regulations and the relevant system concerned. Notwithstanding any provision of these Articles, a class or series of Shares shall not be treated as two classes by virtue only of that class or series comprising both certificated Shares and uncertificated Shares or as a result of any provision of these Articles or the Regulations which apply only in respect of certificated or uncertificated Shares.
- 2.11 If a share certificate for certificated Shares is defaced, worn out, lost or destroyed it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of any exceptional out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in the case of defacement or wearing out, on delivery up of the old certificate to the Company.
- 2.12 All forms of certificate for Share or loan capital or other Securities (other than letters of issue, scrip certificates and other like documents) shall be issued under the Seal or in such other manner as the Board may authorise. The Board may by Resolution of Directors determine, either generally or in any particular case or cases, that any signatures on any such certificate need not be autographic but may be affixed to such certificate by some mechanical or electronic means or may be printed thereon or that such certificate need not be signed by any person.
- 2.13 Any Member receiving a share certificate for certificated Shares shall indemnify and hold the Company and its Directors and officer harmless from any loss or liability which it or they may incur by reason of any wrongful or fraudulent use or representation made by any person by virtue of the possession thereof.

- 2.14 If several persons are registered as joint holders of any Shares, the Company shall not be bound to issue more than one certificate to the joint holders and any one of such persons may give an effectual receipt for any dividend payable in respect of such Shares.
- 2.15 The Company shall have a first and paramount lien on every Share (not being a fully-paid Share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Share and the Directors may waive any lien which has arisen and may resolve that any Share shall for some limited period be exempt wholly or partially from the provisions of this Regulation. The Company's lien on a Share shall extend to all distributions and other amounts payable in respect of it. For the purposes of enforcing such a lien the Company may sell in such manner as the Board thinks fit any Share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable.
- 2.16 The Directors shall, subject always to the Act and the Regulations, and the facilities and requirements of any relevant system concerned and these Articles, have power to implement and/or approve any arrangements they may, in their absolute discretion, think fit in relation to the evidencing of title to and transfer of interests in Shares in the form of depositary interests or similar interest, instruments or securities, and to the extent such arrangements are so implemented, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with the holding or transfer thereof or the Share represented thereby. The Directors may from time to time take such actions and so such things as they may, in their absolute discretion, think fit in relation to the operation of any such arrangements.
- 2.17 Except as ordered by a court of competent jurisdiction or as required by law no person shall be recognised by the Company as holding any Share upon trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or any interest in any fractional part of a Share or (except only as otherwise provided in these Regulations) any other right in respect of any Share except an absolute right to the entirety thereof in the registered holder.

3 AUTHORITY TO ISSUE SHARES

- 3.1 Notwithstanding Regulation 2.1, the Directors shall be generally and unconditionally authorised to exercise for each Allotment Period all the powers of the Company to issue relevant securities up to an aggregate number equal to in the case of a Rights Issue, the Rights Issue Allotment Number and otherwise, the Allotment Number.
- 3.2 During each Allotment Period the Directors shall be empowered to issue equity securities wholly for cash pursuant to and within the terms of the authority in Regulation 3.1 above and to sell Treasury Shares wholly for cash:
- 3.2.1 in connection with a Rights Issue;
 - 3.2.2 pursuant to a Specific Authority; and
 - 3.2.3 otherwise than in connection with a Rights Issue or a Specific Authority, up to an aggregate number equal to the Non-Pre-emptive Number.
- 3.3 By such authority and power the Directors may, during the Allotment Period, make offers or agreements which would or might require relevant securities and/or equity securities (as the case may be) to be issued or sold after the expiry of such period.
- 3.4 For the purposes of Regulations 3.1 to 3.4:
- 3.4.1 the "**Allotment Period**" means any other period (not exceeding five years on any occasion) for which the authority referred to in Regulation 3.1 above is renewed or extended by a Resolution of Members stating the Allotment Number for such period;
 - 3.4.2 the "**Allotment Number**" shall, for any Allotment Period be that stated in the relevant resolution renewing or extending the authority referred to in Regulation 3.1

above for such period or, in either case, any increased number fixed by a Resolution of Members;

- 3.4.3 “**equity securities**” shall have the meaning given to it in Section 560 of the UK Companies Act;
- 3.4.4 the “**Non-Pre-emptive Number**” shall for any Allotment Period be that stated in the relevant Special Resolution renewing or extending the power referred to in Regulation 3.1 above for such period or, in either case, any increased number fixed by Special Resolution;
- 3.4.5 “**relevant securities**” means:
- (a) Shares other than Shares issued pursuant to:
 - (i) an Employee Share Scheme;
 - (ii) a right to subscribe for Shares in the Company where the grant of the right itself consisted a relevant security; or
 - (iii) a right to convert securities into Shares where the grant of the right itself constituted a relevant security;
 - (b) any right to subscribe for or to convert any security into Shares in the Company other than rights to subscribe for or convert any security into Shares issued pursuant to an Employee Share Scheme. References to the issuance of relevant securities include the grant of such right.
- 3.4.6 “**Rights Issue**” means an offer of equity securities open for acceptance for a period fixed by the Directors to: (i) holders on the register, on a record date fixed by the Directors, of Shares in proportion to their respective holdings (for which purpose holdings in certificated and uncertificated form may be treated as separate holdings); and (ii) other persons so entitled by virtue of the rights attaching to any other equity securities held by them, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory;
- 3.4.7 the “**Rights Issue Allotment Number**” shall, for any Allotment Period be that stated in the relevant resolution renewing or extending the authority referred to in Regulation 3.1 above for such period or, in either case, any increased number fixed by a Resolution of Members;
- 3.4.8 “**Specific Authority**” means an approval for issuance of Shares in relation to a particular transaction approved by Special Resolution; and
- 3.4.9 the number of any securities shall be taken to be, in the case of rights to subscribe for or to convert any securities into Shares of the Company, the number of such Shares which may be issued pursuant to such rights.
- 3.5 Subject to Regulations 3.1 to 3.4, the Company shall not issue equity securities to any person whether or not such person is already a Member unless such equity securities are first offered to the Members in proportion as nearly as may be to the number of the existing shares held by them respectively, unless the Company by Special Resolution otherwise direct. Such offer shall be made by written notice specifying the number of equity securities offered and a period (being not less than 14 days) within which the offer, to the extent not accepted, will be deemed to be declined. The Board may, in accordance with the provisions of this Regulation 3.5, issue, grant options over or otherwise dispose of such equity securities not accepted pursuant to such offers, taking into account any exclusions as the Directors may deem necessary to deal with problems arising in any overseas territory, and together with any equity securities not capable of being offered aforesaid except by way of fractions to such persons on such terms

which are not more favourable to the subscribers therefor than the terms on which they were offered to the Members. The provisions of this Regulation 3.5 shall not apply to:

- 3.5.1 a particular issue of equity securities if these are to be paid for otherwise than in cash;
 - 3.5.2 shares to be held under an Employee Share Scheme; or
 - 3.5.3 an issuance of bonus shares.
- 3.6 Nothing in these Articles shall preclude the Directors from recognising a renunciation of any right to the issue of any Share by the recipient of such issue in favour of some other person upon and subject to such terms and conditions as the Directors shall think fit.
- 3.7 No Share in the Company may be issued until the consideration in respect thereof is fully paid, and when issued the Share is for all purposes fully paid and non-assessable save that a Share issued for a promissory note or other written obligation for payment of a debt may be issued subject to forfeiture in the manner prescribed in these Regulations.
- 3.8 Shares in the Company shall be capable of being issued for money, services rendered, personal property, an estate in real property, a promissory note or other binding obligation to contribute money or property or any combination of the foregoing as shall be determined by a Resolution of Directors.
- 3.9 Shares in the Company may be issued for such amount of consideration as the Directors may from time to time by Resolution of Directors determine and in the absence of fraud the decision of the Directors as to the value of the consideration received by the Company in respect of the issue is conclusive unless a question of law is involved.
- 3.10 A Share issued by the Company upon conversion of, or in exchange for, another Share or a debt obligation or other security in the Company, shall be treated for all purposes as having been issued for money equal to the consideration received or deemed to have been received by the Company in respect of the other share, debt obligation or security.
- 3.11 Treasury Shares may be disposed of by the Company on such terms and conditions (not otherwise inconsistent with these Articles) as the Company may by Resolution of Directors determine.

4 COMMISSIONS

- 4.1 The Directors may in connection with the issue of any Shares, exercise all powers of paying commission and brokerage conferred or permitted by law and may satisfy any obligation in respect of such payments in cash or by the issuance of fully or partly paid Shares or partly in one way and partly in the other.

5 REDEMPTION OF SHARES AND TREASURY SHARES

- 5.1 The Company may purchase, redeem or otherwise acquire and hold its own Shares save that the Company may not purchase, redeem or otherwise acquire its own Shares without the consent of the Member whose Shares are to be purchased, redeemed or otherwise acquired unless the Company is permitted by the Act or any other provision in the Memorandum or Articles to purchase, redeem or otherwise acquire the Shares without such consent.
- 5.2 The Company may only offer to acquire Shares if at the relevant time the Directors determine by Resolution of Directors that immediately after the acquisition the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.
- 5.3 The purchase, redemption or other acquisition by the Company of its own Shares is deemed not to be a distribution where:

- (a) the Company purchases, redeems or otherwise acquires the Shares pursuant to a right of a Member to have his Shares redeemed or to have his Shares exchanged for money or other property of the Company; or
- (b) the Company purchases, redeems or otherwise acquires the Shares by virtue of the provisions of section 179 of the Act.

5.4 Sections 60, 61 and 62 of the Act shall not apply to the Company.

5.5 Shares that the Company purchases, redeems or otherwise acquires pursuant to this Regulation may be cancelled or held as Treasury Shares except to the extent that such Shares are in excess of 50 percent of the issued Shares in which case they shall be cancelled but they shall be available for reissue.

5.6 All rights and obligations attaching to a Treasury Share are suspended and shall not be exercised by the Company while it holds the Share as a Treasury Share.

5.7 Treasury Shares may be disposed of by the Company on such terms and conditions (not otherwise inconsistent with the Memorandum and Articles) as the Company may by Resolution of Directors determine.

5.8 Where Shares are held by another body corporate of which the Company holds, directly or indirectly, Shares having more than 50 per cent of the votes in the election of Directors of the other body corporate, all rights and obligations attaching to the Shares held by the other body corporate are suspended and shall not be exercised by the other body corporate.

6 FORFEITURE

6.1 Shares that are not fully paid on issue are subject to the forfeiture provisions set forth in this Regulation and for this purpose Shares issued for a promissory note or a contract for future services are deemed to be not fully paid.

6.2 A written notice of call specifying the date for payment to be made shall be served on the Member who defaults in making payment in respect of the Shares.

6.3 The written notice of call referred to in Regulation 6.1 shall name a further date not earlier than the expiration of 14 days from the date of service of the notice on or before which the payment required by the notice is to be made and shall contain a statement that in the event of non-payment at or before the time named in the notice the Shares, or any of them, in respect of which payment is not made will be liable to be forfeited.

6.4 Where a written notice of call has been issued pursuant to Regulation 6.2 and the requirements of the notice have not been complied with, the Directors may, at any time before tender of payment, forfeit and cancel the Shares to which the notice relates.

6.5 The Company is under no obligation to refund any moneys to the Member whose Shares have been cancelled pursuant to Regulation 6.3 and that Member shall be discharged from any further obligation to the Company.

7 TRANSFER OF SHARES

7.1 Subject to the Act and these Articles, a transfer of a Share in certificated form may be effected by a written instrument of transfer signed by the transferor and containing the name and address of the transferee, which shall be sent to the Company for registration.

7.2 Subject to the Act and these Articles, a transfer of a Share in uncertificated form, may be effected by means of a relevant system and the operator of the relevant system shall act as agent of the Members for the purposes of the transfer of Shares.

7.3 Any provision in these Articles in relation to the Shares shall not apply to any uncertificated Shares to the extent that they are inconsistent with the holding of any Shares in uncertificated

form, the transfer of title to any Shares by means of a relevant system and any provision of the Regulations.

- 7.4 The Board may, in their absolute discretion, refuse to register the transfer of a Share in certificated form (not being a fully paid Share) provided that exercise of such powers does not prevent dealings in partly paid Shares or disturb the market in the Shares.
- 7.5 The Board may refuse to register the transfer of a Share in uncertificated form (or interest in such Share) in any circumstances where refusal is permitted by the rules and practices of the operator of the relevant system provided that exercise of such powers does not disturb the market in the Shares.
- 7.6 In addition, the Board may, subject to the CREST Regulations, refuse to register a transfer of Shares (whether fully paid or not) in favour of more than four persons jointly or made to or by an infant or a person with mental disorder.
- 7.7 The Board may also refuse to register a transfer of a Share (or interest in such Share) in favour of a person believed by them to be a Prohibited Person and may require a potential transferee to supply such information as the Board reasonably requires in order to determine whether a potential transferee qualifies as a Prohibited Person.
- 7.8 If the Board refuses to register a transfer of a Share it shall as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee. Any instrument of transfer which the Board refuses to register shall (except in the case of suspected or actual fraud) be returned to the person depositing it. All instruments of transfer which are registered may be retained by the Company.
- 7.9 The transfer of a Share is effective when the name of the transferee is entered on the share register.
- 7.10 If the Directors of the Company are satisfied that an instrument of transfer relating to Shares has been signed but that the instrument has been lost or destroyed, they may resolve by Resolution of Directors:
 - (a) to accept such evidence of the transfer of Shares as they consider appropriate; and
 - (b) that the transferee's name should be entered in the share register notwithstanding the absence of the instrument of transfer.

8 TRANSFERS TO PROHIBITED PERSONS

- 8.1 If:
 - (a) the transferee is a Prohibited Person; or
 - (b) the Board otherwise determines that the holding of shares by such transferee would:
 - (i) be in breach of any relevant legal or regulatory requirement;
 - (ii) subject the Company to any adverse legal, regulatory or taxation consequences;
 - (iii) result in the Company being in violation of, or required to register under, the Investment Company Act;
 - (iv) result in the Assets of the Company being treated as "Plan Assets" for the purposes of ERISA; or

the Company may direct such transferee to sell his Shares to a person who is not a Prohibited Person within thirty days of the notice of refusal.

- 8.2 If the holder of, or any other person appearing to be interested in, any Share has been given notice under Article 8.1 above (an "Article 8 notice") and has failed in relation to that Share (the "Default Share") to transfer his Shares in accordance with the directions of the Company within the period prescribed in Article 8.1, the Directors shall be empowered at their discretion to follow the procedure set out in Article 6 in respect of the Default Share (references in that Article 6 to a "written notice of call" shall be construed as meaning a reference to an "Article 8 notice" and references to payment requiring to be made shall be construed as meaning a transfer being required to be made pursuant to Article 8) and the provisions of Article 6 shall mutatis mutandis apply to this Article 8.

9 TRANSMISSION OF SHARES AND ENTITLEMENTS

- 9.1 Subject to these Articles, the personal representative of a deceased Member may transfer a Share even though the personal representative is not a Member at the time of the transfer.
- 9.2 Any person becoming entitled to a Share in consequence of the death or bankruptcy of a Member or otherwise by operation of law may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the Share either be registered himself as holder of the Share upon giving to the Company notice in writing of such desire or transfer such Share to some other person. All the limitations, restrictions and 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 notice or transfer were a transfer executed by such Member.
- 9.3 Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the Share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the Share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a Member in respect of the Share. The Directors shall as soon as practicable, and in any event within two months after being supplied with evidence of proof of title to the Share, cause the entitlement of that person to be noted in the register of Members.

10 MEETINGS AND CONSENTS OF MEMBERS

- 10.1 An Annual General Meeting of the Company shall be held in each year in addition to any other meetings which may be held in that year, and such meeting shall be specified as the Annual General Meeting in the notices calling it. Not more than 15 months shall elapse between the date of one Annual General Meeting and the date of the next.
- 10.2 The Directors of the Company may, by Resolution of Directors, convene meetings of the Members at such times and in such manner and places within or outside the British Virgin Islands as the Directors consider necessary or desirable.
- 10.3 Upon the written request of Members entitled to exercise 10 per cent or more of the voting rights in respect of the matter for which the meeting is requested the Directors shall convene a meeting of Members.
- 10.4 In respect of a meeting of Members convened by the Directors, the Directors:
- 10.4.1 shall give to those Members whose names on the date the notice is given appear as Members in any register of Members of the Company and are entitled to vote at the meeting:
- (a) in the case of the Annual General Meeting, at least 21 clear days notice; and
 - (b) in the case of a General Meeting, at least 14 clear days notice;

- 10.4.2 may fix as the record date for determining those Members that are entitled to vote at the meeting the date notice is given of the meeting, or such other date as may be specified in the notice, being a date not earlier than the date of the notice.
- 10.5 Every notice calling a General Meeting shall specify the place and the day and hour of the meeting. There shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy or (if he holds more than one share) proxies to attend, speak and vote instead of him and that a proxy need not be a Member. In the case of an Annual General Meeting, the notice shall also specify the meeting as such.
- 10.6 A meeting of Members held in contravention of the requirement to give notice is valid if Members holding at least 90 per cent of the total voting rights on all the matters to be considered at the meeting have waived notice of the meeting and, for this purpose, the presence of a Member at the meeting shall constitute waiver in relation to all the Shares which that Member holds.
- 10.7 The inadvertent failure of the Directors to give notice of a meeting to a Member, or the fact that a Member has not received notice, does not invalidate the meeting.
- 10.8 Subject to any special rights or restrictions as to voting attached by or in accordance with the Memorandum to any class of shares, votes of Members are to be taken on a poll and every Member who is present in person (including by corporate representative) and every proxy present who has been duly appointed to vote on the resolution, shall have one vote for every Share of which he is the holder or, in the case of a proxy, duly appointed to vote.
- 10.9 A Member may be represented at a meeting of Members by a proxy who may speak and vote on behalf of the Member. A proxy need not be a Member. A Member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different Share or Shares held by him.
- 10.10 The Board may allow an appointment of proxy to be sent or supplied in electronic form subject to any conditions or limitations as the Board may specify.
- 10.11 The instrument appointing a proxy shall be produced at the place designated for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote. The notice of the meeting may specify an alternative or additional place or time at which the proxy shall be presented.

- 10.12 The instrument appointing a proxy shall be in substantially the following form or such other form as the chairman of the meeting shall accept as properly evidencing the wishes of the Member appointing the proxy.

<p>ZANAGA IRON ORE COMPANY LIMITED</p> <p>I/We being a Member of the above Company HEREBY APPOINT of or failing him of to be my/our proxy to vote for me/us at the meeting of Members to be held on the day of, 20..... and at any adjournment thereof.</p> <p>(Any restrictions on voting to be inserted here.)</p> <p>Signed this day of, 20.....</p> <p>.....</p> <p>Member</p>
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- 10.13 The following applies where Shares are jointly owned:
- (a) if two or more persons hold Shares jointly each of them may be present in person or by proxy at a meeting of Members and may speak as a Member;
 - (b) if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners; and
 - (c) if two or more of the joint owners are present in person or by proxy they must vote as one and in the event of disagreement between any of the joint owners of Shares then the vote of the joint owner whose name appears first (or earliest) in the share register in respect of the relevant Shares shall be recorded as the vote attributable to the Shares.
- 10.14 A Member shall be deemed to be present at a meeting of Members if he participates by telephone or other electronic means and all Members participating in the meeting are able to hear each other.
- 10.15 A meeting of Members is duly constituted if, at the commencement of the meeting, there are present in person or by proxy not less than two Members entitled to vote on the matters to be considered at the meeting. If the Company has two or more classes of shares, a meeting may be quorate for some purposes and not for others. A quorum may comprise a single Member or proxy and then such person may pass a Resolution of Members and a certificate signed by such person accompanied where such person holds a proxy by a copy of the proxy instrument shall constitute a valid Resolution of Members.
- 10.16 If within two hours from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; in any other case it shall stand adjourned to the next business day in the jurisdiction in which the meeting was to have been held at the same time and place, and if at the adjourned meeting there are present within one hour from the time appointed for the meeting in person or by proxy not less than two Members of the Shares or each class or series of Shares entitled to vote on the matters to be considered by the meeting, those present shall constitute a quorum but otherwise the meeting shall be dissolved.

- 10.17 At every meeting of Members, the Chairman of the Board shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present at the meeting, the Directors present shall choose one of their number to be the chairman. If the Directors are unable to choose a chairman for any reason, then the person representing the greatest number of voting Shares present in person or by proxy at the meeting shall preside as chairman failing which the oldest individual Member or representative of a Member present shall take the chair.
- 10.18 The chairman may, with the consent of the meeting, adjourn any meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 10.19 A poll required under Article 10.8 shall be taken in such manner as the chairman directs. He may appoint scrutineers, who need not be Shareholders, and may fix a time and place for declaring the result of the poll. The result of the poll is deemed to be the resolution of the meeting at which the poll is undertaken or demanded.
- 10.20 Any objection raised to the qualification of any voter, or the counting of or failure to count any vote, does not invalidate the decision of the meeting on any resolution unless it is raised at the meeting or adjourned meeting at which the vote objected to is tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and only invalidates the decision of the meeting on any resolution if the chairman decides that the same is of sufficient magnitude to affect the decision of the meeting. The decision of the chairman on such matters is final and conclusive.
- 10.21 Subject to the specific provisions contained in this Regulation for the appointment of representatives of Members other than individuals the right of any individual to speak for or represent a Member shall be determined by the law of the jurisdiction where, and by the documents by which, the Member is constituted or derives its existence. In case of doubt, the Directors may in good faith seek legal advice and unless and until a court of competent jurisdiction shall otherwise rule, the Directors may rely and act upon such advice without incurring any liability to any Member or the Company.
- 10.22 Any Member other than an individual may by resolution of its Directors or other governing body authorise such individual as it thinks fit to act as its representative at any meeting of Members or of any class of Members, and the individual so authorised shall be entitled to exercise the same rights on behalf of the Member which he represents as that Member could exercise if it were an individual.
- 10.23 The chairman of any meeting at which a vote is cast by proxy or on behalf of any Member other than an individual may at the meeting but not thereafter call for a notarially certified copy of such proxy or authority which shall be produced within 7 days of being so requested or the votes cast by such proxy or on behalf of such Member shall be disregarded.
- 10.24 Directors of the Company may attend and speak at any meeting of Members and at any separate meeting of the holders of any class or series of Shares.
- 10.25 Prior to the Admission of the Company, any action that may be taken by the Members at a meeting may also be taken by a Resolution of Members or Special Resolution (as appropriate) consented to in writing, without the need for any prior notice. If any Resolution of Members is adopted otherwise than by the unanimous written consent of all Members, a copy of such resolution shall forthwith be sent to all Members not consenting to such resolution. The consent may be in the form of counterparts, each counterpart being signed by one or more Members. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the earliest date upon which Eligible Persons holding a sufficient number of votes of Shares to constitute a Resolution of Members have consented to the resolution by signed counterparts.

11 DIRECTORS

- 11.1 Subject to the Act and these Articles, the Directors shall be elected by Resolution of Members or by Resolution of Directors for such term as the Members or Directors determine.

- 11.2 No person shall be appointed as a Director of the Company unless he has consented in writing to act as a Director.
- 11.3 The minimum number of Directors shall be two and the maximum shall be 12.
- 11.4 Each Director holds office for the term, if any, fixed by the Resolution of Members or Resolution of Directors appointing him, or until his earlier death, resignation, retirement or removal. If no term is fixed on the appointment of a Director, the Director serves indefinitely until his earlier death, resignation, retirement or removal.
- 11.5 The office of a Director shall be vacated:
- 11.5.1 by a Resolution of Members passed at a meeting of Members called for the purposes of removing the Director or for purposes including the removal of the Director; or
- 11.5.2 by a unanimous Resolution of Directors passed at a meeting of Directors removing the Director or by a written resolution passed by all Directors removing the Director (in both cases excluding the Director in question).
- 11.6 The office of a Director shall be vacated in any of the following events:
- 11.6.1 he ceases to be a Director by virtue of any provision of the Act or is removed from office pursuant to any provision of these Articles;
- 11.6.2 if he becomes prohibited by law from being a Director and is removed by Resolution of the Directors;
- 11.6.3 if he becomes bankrupt or makes any arrangement or composition with his creditors generally and is removed by Resolution of the Directors;
- 11.6.4 a registered medical practitioner who is treating him gives a written opinion to the Company stating that he has become physically or mentally incapable of acting as a Director and may remain so for more than three months and is removed by Resolution of the Directors;
- 11.6.5 if he shall for more than 6 months have been absent without permission of the Board from meetings of the Board and is removed by Resolution of the Directors the Board; or
- 11.6.6 he resigns by notice to the Company sent to the Secretary or tendered at a Board meeting.
- 11.7 A Director shall resign forthwith as a Director if he is, or becomes:
- 11.7.1 disqualified from acting as a Director under the Act;
- 11.7.2 prohibited by law from acting as a Director.
- 11.8 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 to but not greater than one-third) shall retire from office by rotation. 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 to 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 between 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. In addition, any Director who would not otherwise be required to retire shall retire by rotation at the third Annual General Meeting after his last appointment or reappointment.
- 11.9 The Directors may at any time appoint any person to be a Director either to fill a vacancy or as an addition to the existing Directors. Where the Directors appoint a person as Director to fill a

- vacancy, or as an addition to the Board, a Director so appointed shall hold office only until the dissolution of the annual general meeting following next after his appointment, unless he is reappointed during the meeting. A Director so retiring shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting
- 11.10 A vacancy in relation to Directors occurs if a Director dies or otherwise ceases to hold office prior to the expiration of his term of office.
- 11.11 The Company shall keep a register of Directors containing:
- (a) the names and addresses of the persons who are Directors of the Company;
 - (b) the date on which each person whose name is entered in the register was appointed as a Director of the Company;
 - (c) the date on which each person named as a Director ceased to be a Director of the Company; and
 - (d) such other information as may be prescribed by the Act.
- 11.12 The register of Directors may be kept in any such form as the Directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until a Resolution of Directors determining otherwise is passed, the magnetic, electronic or other data storage shall be the original register of Directors.
- 11.13 Subject to Regulation 11.15, the Directors may, by a Resolution of Directors, fix the emoluments of Directors with respect to services to be rendered in any capacity to the Company.
- 11.14 A Director is not required to hold a Share as a qualification to office.
- 11.15 The Directors (other than those holding executive office in the Company or any subsidiary of the Company) shall be entitled to remuneration for their services as Directors in such amount as the Directors may determine not exceeding in aggregate £500,000 per annum (or such higher amount as may from time to time approved by Resolution of Members) and such remuneration shall be apportioned amongst them as the Directors may determine.
- 11.16 The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise in or about the business of the Company or the proper exercise of his duties.
- 11.17 The Directors may exercise all the powers of the Company to give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or have at any time been Directors of or employed by or in the service of the Company or of any company which is a subsidiary company of the Company or any such subsidiary and to the wives, widows, children and other relatives and dependants of any such persons and may establish, maintain, support, subscribe to and contribute to all kinds of schemes, trusts and funds for the benefit of such persons as are hereinbefore referred to or any of them or any class of them, and so that any Director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit (whether under such fund or scheme or otherwise).
- 12 POWERS OF DIRECTORS**
- 12.1 The business and affairs of the Company shall be managed by, or under the direction or supervision of, the Directors of the Company. The Directors of the Company have all the powers necessary for managing, and for directing and supervising, the business and affairs of the Company. The Directors may exercise all such powers of the Company as are not by the Act or by the Memorandum or the Articles required to be exercised by the Members.

- 12.2 Each Director shall exercise his powers for a proper purpose and shall not act or agree to the Company acting in a manner that contravenes the Memorandum, the Articles or the Act. Each Director, in exercising his powers or performing his duties, shall act honestly and in good faith in what the Director believes to be the best interests of the Company.
- 12.3 Any Director which is a body corporate may appoint any individual as its duly authorised representative for the purpose of representing it at meetings of the Directors, with respect to the signing of consents or otherwise.
- 12.4 The continuing Directors may act notwithstanding any vacancy in their body.
- 12.5 The Directors may by Resolution of Directors exercise all the powers of the Company to incur indebtedness, liabilities or obligations and to secure indebtedness, liabilities or obligations whether of the Company or of any third party.
- 12.6 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 shall from time to time be determined by Resolution of Directors.
- 12.7 Section 175 of the Act shall not apply to the Company.
- 12.8 The Board may from time to time appoint and remove the Company's secretary.

13 PROCEEDINGS OF DIRECTORS

- 13.1 Any one Director of the Company may call a meeting of the Directors by sending a written notice to each other Director.
- 13.2 The Directors of the Company or any committee thereof may meet at such times and in such manner and places within or outside the British Virgin Islands as the notice calling the meeting provides.
- 13.3 A Director is deemed to be present at a meeting of Directors if he participates by telephone or other electronic means and all Directors participating in the meeting are able to hear each other.
- 13.4 A Director shall be given not less than seven days' notice of meetings of Directors, but a meeting of Directors held without seven days' notice having been given to all Directors shall be valid if all the Directors entitled to vote at the meeting who do not attend waive notice of the meeting, and for this purpose the presence of a Director at a meeting shall constitute waiver by that Director. The inadvertent failure to give notice of a meeting to a Director, or the fact that a Director has not received the notice, does not invalidate the meeting.
- 13.5 A meeting of Directors is duly constituted for all purposes if at the commencement of the meeting there are present in person or by alternate two Directors.
- 13.6 A Director may by a written instrument appoint an alternate who need not be a Director and the alternate shall be entitled to attend meetings in the absence of the Director who appointed him and to vote in place of the Director until the appointment lapses or is terminated.
- 13.7 The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles the continuing Directors or Director may act for the purpose of filling such vacancies or of summoning General Meetings, but not for any other purpose. If there be no Directors or Director able or willing to act, then any two Members may summon a General Meeting for the purpose of appointing Directors.
- 13.8 At meetings of Directors at which the Chairman of the Board is present, he shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present, the Directors present shall choose one of their number to be chairman of the meeting. If the Directors are unable to choose a chairman for any reason, then the oldest

individual Director present (and for this purpose an alternate Director shall be deemed to be the same age as the Director that he represents) shall take the chair.

- 13.9 An action that may be taken by the Directors or a committee of Directors at a meeting may also be taken by a resolution consented to in writing by all the Directors or by all members of the committee, as the case may be, without the need for any notice. The consent may be in the form of counterparts each counterpart being signed by one or more Directors. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the date upon which the last Director has consented to the resolution by signed counterparts.
- 13.10 All acts done by any meeting of the Directors, or of any such committee, or by any person acting as Director or as a member of any such committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any of the persons acting as aforesaid, or that any such persons were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of the committee and had been entitled to vote

14 COMMITTEES

- 14.1 The Directors may, by Resolution of Directors, designate one or more committees, each consisting of one or more Directors, and delegate one or more of their powers, including the power to affix the Seal, to the committee.
- 14.2 The Directors have no power to delegate to a committee of Directors any of the following powers:
- (a) to amend the Memorandum or the Articles;
 - (b) to designate committees of Directors;
 - (c) to delegate powers to a committee of Directors;
 - (d) to appoint Directors;
 - (e) to appoint an agent;
 - (f) to approve a plan of merger, consolidation or arrangement; or
 - (g) to make a declaration of solvency or to approve a liquidation plan.
- 14.3 Regulations 14.2(b) and (c) do not prevent a committee of Directors, where authorised by the Resolution of Directors appointing such committee or by a subsequent Resolution of Directors, from appointing a sub-committee and delegating powers exercisable by the committee to the sub-committee.
- 14.4 The meetings and proceedings of each committee of Directors consisting of two or more Directors shall be governed *mutatis mutandis* by the provisions of the Articles regulating the proceedings of Directors so far as the same are not superseded by any provisions in the Resolution of Directors establishing the committee.

15 OFFICERS AND AGENTS

- 15.1 The Company may by Resolution of Directors appoint officers of the Company at such times as may be considered necessary or expedient. Such officers may consist of a Chairman of the Board of Directors, a Chief Executive Officer, one or more vice-presidents, secretaries and treasurers and such other officers as may from time to time be considered necessary or expedient. Any number of offices may be held by the same person.
- 15.2 The officers shall perform such duties as are prescribed at the time of their appointment subject to any modification in such duties as may be prescribed thereafter by Resolution of Directors. In the absence of any specific prescription of duties it shall be the responsibility of

the Chairman of the Board to preside at meetings of Directors and Members, the Chief Executive Officer to manage the day to day affairs of the Company, the vice-presidents to act in order of seniority in the absence of the Chief Executive Officer but otherwise to perform such duties as may be delegated to them by the Chief Executive Officer, the secretaries to maintain the share register, minute books and records (other than financial records) of the Company and to ensure compliance with all procedural requirements imposed on the Company by applicable law, and the treasurer to be responsible for the financial affairs of the Company.

- 15.3 Subject to Regulation 11.15, the emoluments of all officers shall be fixed by Resolution of Directors.
- 15.4 Subject to Regulation 11.15, the officers of the Company shall hold office until their death, resignation or removal. Any officer elected or appointed by the Directors may be removed at any time, with or without cause, by Resolution of Directors. Any vacancy occurring in any office of the Company may be filled by Resolution of Directors.
- 15.5 The Directors may, by a Resolution of Directors, appoint any person, including a person who is a Director, to be an agent of the Company. An agent of the Company shall have such powers and authority of the Directors, including the power and authority to affix the Seal, as are set forth in the Articles or in the Resolution of Directors appointing the agent, except that no agent has any power or authority with respect to the matters specified in Regulation 12.1. The Resolution of Directors appointing an agent may authorise the agent to appoint one or more substitutes or delegates to exercise some or all of the powers conferred on the agent by the Company. The Directors may remove an agent appointed by the Company and may revoke or vary a power conferred on him.

16 **DIRECTORS' CONFLICTS OF INTEREST**

- 16.1 A Director shall, forthwith after becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the Company, disclose the interest to the other Directors except if the relevant transaction is between the Director and the Company and is (or is to be) entered into in the ordinary course of business and on an arm's length basis.
- 16.2 The Directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise, to the fullest extent permitted by law:
 - 16.2.1 any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties);
 - 16.2.2 a Director to accept or continue in any office, employment or position in addition to his office as a Director of the Company and without prejudice to the generality of this Regulation 16.2 may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises,

provided that for this purpose the Director in question and any other interested Director are not counted in the quorum at any board meeting at which such matter, or such office, employment or position, is approved and it is agreed to without their voting or would have been agreed to if their votes had not been counted.

- 16.3 If a matter, or office, employment or position, has been authorised by the Directors in accordance with this Regulation 16 then:
 - 16.3.1 the Director shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company if to make such a disclosure would result in a breach of a duty or obligation of confidence

owed by him in relation to or in connection with that matter, or that office, employment or position;

16.3.2 the Director may absent himself from meetings of the Directors at which anything relating to that matter, or that office, employment or position, will or may be discussed; and

16.3.3 the Director may make such arrangements as such Director thinks fit for board and committee papers to be received and read by a professional adviser on behalf of that Director.

16.4 A Director, subject to the Act, shall not by reason of his office, be accountable to the Company for any benefit which he derives from any matter, or from any office, employment or position, which has been approved by the Directors pursuant to this Regulation 16 (subject in any such case to any limits or conditions to which such approval was subject).

17 VOTES AND DIRECTORS' INTEREST

17.1 A Director who is in any way, directly or indirectly interested in a proposed or existing contract, transaction or arrangement with the Company must declare the nature and extent of that interest to the other Directors.

17.2 Save as herein provided, a Director shall not vote in respect of any contract, transaction or arrangement or any other proposal whatsoever in which he has an interest which (together with any interest of any person connected with him) is to his knowledge a material 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 at the meeting in relation to any resolution on which he is debarred from voting.

17.3 Subject to the Act and always to the provisions of Regulation 16, 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:

17.3.1 the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;

17.3.2 the giving of any security, guarantee or indemnity 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;

17.3.3 any contract or arrangement by a Director to participate in the underwriting or sub-underwriting of any offer of Shares, debentures or other securities of the Company or any of its subsidiaries for subscription, purchase or exchange;

17.3.4 any contract or arrangement concerning any other company in which the Director and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in sections 820 to 825 of the UK Companies Act) representing one per cent. or more of either any class of the equity share capital, or the voting rights, in such company;

17.3.5 any arrangement for the benefit of Directors or employees of the Company or Directors or employees of any of its subsidiaries which does not award him any privilege or benefit not generally awarded to the other persons to whom such arrangement relates;

17.3.6 any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of inter alia any Directors of the Company.

- 17.4 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) or the termination of appointment (including fixing or varying the terms of such termination) of two or more Directors to or from 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 and in such case each of the Directors concerned (if not otherwise debarred from voting under these Articles) shall be entitled to vote (and counted in the quorum) in respect of each resolution except that concerning his own appointment or termination of appointment.
- 17.5 If any question shall arise at any time 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 (or if the Director concerned is the chairman to the other Directors at the meeting) and his or their ruling (as the case may be) shall be final and conclusive except in a case where the nature or extent of the interests of such Director has not been fairly disclosed.
- 17.6 Subject as otherwise provided in the Act or these Articles, a Director may be in any way, directly or indirectly, interested in any contract or arrangement or transaction with the Company and he may hold and be remunerated in respect of any office or place of profit (other than the office of auditor of the Company or any subsidiary thereof) under the Company or any other company in which the Company is in any way interested and he (or any firm of which he is a Member) may act in a professional capacity for the Company or any such other company and be remunerated therefor and in any such case as aforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof. For the avoidance of doubt, the Company shall have no claim arising from, or in consequence of, the Director's interest in any contract or arrangement or transaction within the scope of this Regulation 17 and Regulation 16 and the Director shall not breach any of his duties to the Company as a result of having that interest.
- 17.7 For the purposes of this Regulation 17 and Regulation 16 above an interest of a person who is connected with a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director otherwise has.
- 17.8 This Regulation 17 does not require a declaration of an interest of which the Director is not aware (and ought not reasonably to be aware of it) or where the Director is not aware of the contract, transaction or arrangement in question (and ought not reasonably to be aware of it).

By a Resolution of Members the provisions of this Regulation 17, may be suspended or released to any extent or any transaction not duly authorised by reason of a contravention of this Regulation may be ratified.

18 **SIGNIFICANT DISCLOSURES**

Notwithstanding the provisions of these Articles but always subject to the requirements of the law of the British Virgin Islands, the provisions of Chapter 5 of the Financial Services Authority's (United Kingdom) Disclosure Rules and Transparency Rules Source Book ("DTR") or any successor or other regime (whether statutory or non-statutory) governing the disclosure of interests in shares in the United Kingdom, which relates to the requirements of Members to disclose their total proportion of voting rights (as defined in the DTR) shall be deemed to be incorporated into these Articles and shall bind the Company and its Members, and references to an "issuer", but for the avoidance of doubt not a "non-UK issuer", in such provisions shall be deemed to be references to the Company.

19 **DISCLOSURE OF INTERESTS**

- 19.1 The Company may by notice in writing require a person whom the Company knows or has reasonable cause to believe to be or, at any time during the 3 years immediately preceding the date on which the notice is issued, to have been interested in Shares comprised in the Company's relevant authorised and issued Shares:

- 19.1.1 to confirm that fact or (as the case may be) to indicate whether or not it is the case, and
- 19.1.2 where he holds or has during that time held an interest in shares so comprised, to give such further information as may be required in accordance with Regulation 19.2 below.
- 19.2 A notice under Regulation 19.1 above, may require the person to whom it is addressed:
- 19.2.1 to give particulars of his own past or present interest in Shares comprised in relevant authorised and issued Shares of the Company (held by him at any time during the 3 year period mentioned in Regulation 19.1;
- 19.2.2 where the interest is a present interest and any other interest in the Shares subsists or, in any case, where another interest in the Shares subsisted during that 3 year period at any time when his own interest subsisted, to give (so far as lies within his knowledge) such particulars with respect to that other interest as may be required by the notice; and
- 19.2.3 where his interest is a past interest, to give (so far as lies within his knowledge) particulars of the identity of the person who held that interest immediately upon his ceasing to hold it.
- 19.3 A notice under Regulation 19.1 above shall require any information given in response to the notice to be given in writing within such reasonable time as may be specified in the notice.
- 19.4 Regulations 19.1 to 19.3 above apply in relation to a person who has or previously had, or is or was entitled to acquire, a right to subscribe for Shares in the Company which would on issue be comprised in the relevant number of authorised and issued Shares of that company as it applies in relation to a person who is or was interested in Shares so comprised; and references above in this section to an interest in Shares so comprised and to Shares so comprised are to be read accordingly in any such case as including respectively any such right and Shares which would on issue be so comprised.
- 19.5 If the requisite reply is not received with the timeframe specified in the notice, a further notice will be sent asking the person(s) or Member(s) in question to show cause within a specified time why disenfranchisement action by the Company should not be taken in respect of their Shares.
- 19.6 If the Member is still unable to respond to the initial request or show such cause, then the Company may issue a notice of disenfranchisement (which shall take effect in the manner set out in Regulations 19.6.1 to 19.6.4 below):
- 19.6.1 any agreement to transfer or transfer of Shares or, in the case of unissued Shares, any transfer of the right to be issued with such Shares, and any issue of them, is void;
- 19.6.2 no voting rights are exercisable with respect to the Shares until further notified by the Company;
- 19.6.3 no further Shares shall be issued in right of them or in pursuance of any offer made to their holder; and
- 19.6.4 except in a liquidation of the Company, no payment shall be made of any sums due from the Company on the Shares.

20 INDEMNIFICATION

- 20.1 Subject to the limitations hereinafter provided the Company shall indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who:

- (a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a Director of the Company or any associated Company; or
 - (b) is or was, at the request of the Company, serving as a Director of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise.
- 20.2 The indemnity in Regulation 20.1 only applies if the person acted honestly and in good faith with a view to the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that their conduct was unlawful.
- 20.3 The decision of the Directors as to whether the person acted honestly and in good faith and with a view to the best interests of the Company and as to whether the person had no reasonable cause to believe that his conduct was unlawful is, in the absence of fraud, sufficient for the purposes of the Articles, unless a question of law is involved.
- 20.4 The indemnity in Regulation 20.1 does not apply to any auditors of the Company.
- 20.5 The termination of any proceedings by any judgment, order, settlement, conviction or the entering of a nolle prosequi does not, by itself, create a presumption that the person did not act honestly and in good faith and with a view to the best interests of the Company or that the person had reasonable cause to believe that his conduct was unlawful.
- 20.6 In this Regulation companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.
- 20.7 The Company may purchase and maintain insurance in relation to any person who is or was a Director, officer, employee or liquidator of the Company, or who at the request of the Company is or was serving as a Director, officer, employee or liquidator of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity, whether or not the Company has or would have had the power to indemnify the person against the liability as provided in the Articles save that such insurance must not apply to any auditors of the Company.

21 RECORDS

- 21.1 The Company shall keep the following documents at the office of its registered agent:
- (a) the Memorandum and the Articles;
 - (b) the share register, or a copy of the share register;
 - (c) the register of Directors, or a copy of the register of Directors; and
 - (d) copies of all notices and other documents filed by the Company with the Registrar of Corporate Affairs in the previous 10 years.
- 21.2 If the Company maintains only a copy of the share register or a copy of the register of Directors at the office of its registered agent, it shall:
- (a) within 15 days of any change in either register, notify the registered agent in writing of the change; and
 - (b) provide the registered agent with a written record of the physical address of the place or places at which the original share register or the original register of Directors is kept.
- 21.3 The Company shall keep the following records at the office of its registered agent or at such other place or places, within or outside the British Virgin Islands, as the Directors may determine:

- (a) minutes of meetings and Resolutions of Members and classes of Members;
- (b) minutes of meetings and Resolutions of Directors and committees of Directors; and
- (c) an impression of the Seal, if any.

21.4 Where any original records referred to in this Regulation are maintained other than at the office of the registered agent of the Company, and the place at which the original records is changed, the Company shall provide the registered agent with the physical address of the new location of the records of the Company within 14 days of the change of location.

21.5 The records kept by the Company under this Regulation shall be in written form or either wholly or partly as electronic records complying with the requirements of the Electronic Transactions Act.

22 **REGISTERS OF CHARGES**

22.1 The Company shall maintain at the office of its registered agent a register of charges in which there shall be entered the following particulars regarding each mortgage, charge and other encumbrance created by the Company:

- (a) the date of creation of the charge;
- (b) a short description of the liability secured by the charge;
- (c) a short description of the property charged;
- (d) the name and address of the trustee for the security or, if there is no such trustee, the name and address of the chargee;
- (e) unless the charge is a security to bearer, the name and address of the holder of the charge; and
- (f) details of any prohibition or restriction contained in the instrument creating the charge on the power of the Company to create any future charge ranking in priority to or equally with the charge.

23 **CONTINUATION**

The Company may by Resolution of Members or by a Resolution of Directors continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands in the manner provided under those laws.

24 **SEAL**

The Company may have more than one Seal and references herein to the Seal shall be references to every Seal which shall have been duly adopted by Resolution of Directors. The Directors shall provide for the safe custody of the Seal and for an imprint thereof to be kept at the registered office. Except as otherwise expressly provided herein the Seal when affixed to any written instrument shall be witnessed and attested to by the signature of any one Director or other person so authorised from time to time by Resolution of Directors. Such authorisation may be before or after the Seal is affixed, may be general or specific and may refer to any number of sealings. The Directors may provide for a facsimile of the Seal and of the signature of any Director or authorised person which may be reproduced by printing or other means on any instrument and it shall have the same force and validity as if the Seal had been affixed to such instrument and the same had been attested to as hereinbefore described.

25 **DISTRIBUTIONS**

25.1 The Directors of the Company may, by sanction of Resolution of Members, authorise a distribution at a time and of an amount they think fit if they are satisfied, on reasonable grounds, that, immediately after the distribution, the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

- 25.2 The Directors of the Company may, with the sanction of Resolution of Members, authorise a final dividend. No distribution shall exceed the amount recommended by the Board provided always that the Board are satisfied, on reasonable grounds, that, immediately after the final dividend, the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.
- 25.3 The Company may, by Resolution of Directors, from time to time pay to the Members such interim dividends as appear to the Directors to be justified by the profits of the Company, provided always that they are satisfied, on reasonable grounds, that, immediately after the interim dividend, the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as and when they fall due.
- 25.4 Notice of any dividend that may have been declared shall be given to each Member as specified in Regulation 30 and all dividends unclaimed for 12 years after having been declared may be forfeited by Resolution of Directors for the benefit of the Company.
- 25.5 No dividend shall bear interest as against the Company and no dividend shall be paid on Treasury Shares.
- 25.6 Distributions may be paid in money, shares, or other property.

26 **CAPITALISATION OF PROFITS AND RESERVES**

The Directors may, with the sanction of Resolution of Members, capitalise any sum standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve or other undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the holders of Shares on the register of Members at the close of business on the date of the Resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of Shares and applying such sum on their behalf in paying up in full unissued Shares (or, subject to any special rights previously conferred on any Shares or class of Shares for the time being issued, unissued Shares of any other class not being redeemable shares) for issue and distribution credited as fully-paid up to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

27 **BORROWING POWERS**

- 27.1 Subject as hereinafter provided and to the provisions of the Act the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, 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.
- 27.2 The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary companies (if any) so as to secure (so far, as regards subsidiaries, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all moneys borrowed by the Group (which expression in this Regulation means and includes the Company and its subsidiaries for the time being) and for the time being owing to persons outside the Group shall not at anytime without the previous sanction of a Resolution of Members exceed US\$200,000,000.
- 27.3 For the purpose of the foregoing limit the following provisions shall apply:

- 27.3.1 there shall be deemed, subject as hereinafter provided, to have been borrowed and to be outstanding as borrowed moneys of the relevant member of the Group (to the extent that the same would not otherwise fall to be taken into account):
- (a) the principal amount of all debentures of any member of the Group which are not for the time being beneficially owned within the Group;
 - (b) the outstanding amount of acceptances (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by any member of the Group or by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;
 - (c) the nominal amount (as applicable) of any issued and paid up share capital (other than equity share capital) of any subsidiary of the Company not for the time being beneficially owned by other members of the Group;
 - (d) the principal amount of any other debentures or other borrowed moneys (not being shares or debentures which or borrowed moneys the indebtedness in respect of which is for the time being beneficially owned within the Group) the redemption whereof is guaranteed or wholly or partly secured by any member of the Group;
 - (e) any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other borrowed moneys falling to be taken into account.
- 27.3.2 moneys borrowed by any member of the Group for the purpose of repaying or redeeming (with or without premium) in whole or in part any other borrowed moneys falling to be taken into account and intended to be applied for such purpose within six months after the borrowing thereof shall not during such period, except to the extent so applied, themselves be taken into account;
- 27.3.3 any amounts borrowed by any member of the Group from bankers or others for the purpose of financing any contract up to an amount not exceeding that part of the price receivable under such contract which is guaranteed or insured by the Export Credits Guarantee Department or other like institution carrying on a similar business shall be deemed not to be borrowed moneys;
- 27.3.4 moneys borrowed by a partly-owned subsidiary and not owing to another member of the Group shall be taken into account subject to the exclusion of a proportion thereof equal to the minority proportion and moneys borrowed and owing to a partly-owned subsidiary by another member of the Group shall be taken into account to the extent of a proportion thereof equal to the minority proportion; for the purposes aforesaid "minority proportion" shall mean the proportion of the issued equity share capital of such partly-owned subsidiary which is not attributable to the Company;
- 27.3.5 borrowed moneys of any member of the Group expressed in or calculated by reference to a currency other than sterling shall be translated into sterling by reference to the rate of exchange used for the conversion of such currency in the latest audited balance sheet of the relevant member of the Group or, if the relevant currency was not thereby involved, by reference to the rate of exchange or approximate rate of exchange ruling on such date and determined on such basis as the auditors may determine or approve.
- 27.4 No person dealing with the Company or any of its subsidiaries shall be concerned to see or enquire whether the said limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the said limit had been or would thereby be exceeded.

28 ACCOUNTING RECORDS

- 28.1 The Board shall cause to be kept accounting records sufficient to give a true and fair view of the state of the Company's affairs to show and explain its transactions in accordance with the Act. The Company shall also keep accounting records as would be required by the UK Companies Act to show and explain its transactions were the Company a public limited company incorporated in England and Wales.
- 28.2 The accounting records shall be kept at the office or, subject to the Act, at such other place or places as the Board may think fit and shall always be open to inspection by the officers of the Company. No Member (other than an officer of the Company) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board.
- 28.3 Subject to Regulation 28.4 below, a printed copy of every balance sheet and profit and loss account together with the report of the Board thereon and including every other document as would be required by the UK Companies Act were the Company a public limited company incorporated in England and Wales to be annexed thereto, which is to be laid before the Company in general meeting, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least twenty one days before the date of the meeting in accordance with the requirements of the Act or these Articles, and copies shall also be sent to the London Stock Exchange, in accordance with the AIM Rules for Companies.
- 28.4 The Company need not, if the Board so decides send copies of such documents to Members, but may instead send them a summary financial statement derived from the Company's balance sheet and profit and loss account and the report of the Board thereon, in such form and containing such information as would be required by the UK Companies Act were the Company a public limited company registered in England and Wales provided that copies of the documents referred to in Regulation 28.3 above shall be sent to any Member who wishes to receive them and the Company shall comply with the provisions of the Act as to the manner in which it is to ascertain whether a Member wishes to receive them as if the Company were a public limited company incorporated in England and Wales.

29 AUDIT

- 29.1 Auditors shall be appointed and their duties regulated in accordance with the UK Companies Act as if the Company were a public limited company incorporated in England and Wales.
- 29.2 The Directors may by Resolution of Directors call for the accounts of the Company to be examined by an auditor or auditors to be appointed by them at such remuneration as may from time to time be agreed.
- 29.3 The auditor may be a Member of the Company but no Director or officer shall be eligible during his continuance in office.
- 29.4 The remuneration of the auditors of the Company:
- 29.4.1 in the case of auditors appointed by the Directors, may be fixed by Resolution of Directors; and
 - 29.4.2 subject to the foregoing, shall be fixed by Resolution of Members or in such manner as the Company may by Resolution of Members determine.
- 29.5 The auditors shall examine each profit and loss account and balance sheet required to be laid before a meeting of the Members or otherwise given to Members and shall state in a written report whether or not:
- 29.5.1 in their opinion the profit and loss account and balance sheet give a true and fair view respectively of the profit and loss for the period covered by the accounts, and of the assets and liabilities of the Company at the end of that period; and
 - 29.5.2 all the information and explanations required by the auditors have been obtained.

- 29.6 The report of the auditors shall be annexed to the accounts and shall be read at the meeting of Members at which the accounts are laid before the Company or shall be otherwise given to the Members.
- 29.7 Every auditor of the Company shall have a right of access at all times to the books of accounts of the Company, and shall be entitled to require from the officers of the Company such information and explanations as he thinks necessary for the performance of his duties.
- 29.8 The report of the auditor shall be annexed to the accounts upon which he reports, and the auditor shall be entitled to receive notice of, and to attend, any meeting at which the Company's audited profit and loss account and balance sheet is to be presented.

30 NOTICES

- 30.1 Any notice or document (including a share certificate) may be served on or delivered to any Member by the Company either personally or by sending it through the post in a prepaid cover (in such form as any Director or the Secretary may determine) addressed to such Member at his registered address.
- 30.2 Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of twenty-four hours (or, where second-class mail is employed, forty-eight hours) after the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.
- 30.3 The Company is generally and unconditionally authorised to use electronic communications with its Members and in particular to send or supply documents or information to its Members by making them available on a website. Accordingly, the Company may give or send to any Members any notice or other document (excluding a share certificate) by electronic communication where:
- 30.3.1 the Company and that Member have agreed to the use of electronic communication for sending copies of documents to the Member and:
- (a) the documents are documents to which the agreement applies; and
 - (b) copies of the documents are sent using electronic communication to such address (or to one of such addresses if more than one) as may for the time being be notified by the Member to the Company for that purpose; or
- 30.3.2 the Company and that Member have agreed to that Member having access to documents on a website (instead of the documents being sent to him) and:
- (a) the documents are documents to which the agreement applies; and
 - (b) the text and images in the documents can be (as appropriate) read or seen using the naked eye; and
 - (c) the Member is notified in a manner for the time being agreed for the purpose between the Member and the Company of:
 - (i) the presence of the documents on a website;
 - (ii) the address of that website;
 - (iii) the place on that website where the documents may be accessed and how they may be accessed; and
 - (iv) the period of time for which the documents will be available on the website is for a period of not less than twenty-eight days from the date of notification or, if later, until the conclusion of any general meeting to which the documents relate; and

- (d) the documents are published on that website throughout the period referred to in Regulation 30.3.2(c)(iv) above, provided that, if the documents are published on that website for a part but not all of such period, the documents will be treated as published throughout that period if the failure to publish those documents throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.

30.4 A Member which is itself a company shall be deemed to have agreed that the Company may send a notice or other document in accordance with this Regulation

30.5 Where a notice or other document is given or sent by electronic communication, it shall be deemed to have been given or sent at the expiration of two hours from the time it was sent to an address supplied by the Member or of notification to the Member of its publication on a website or, if later, from the time it was so published after the notification. Proof that a notice or other document given or sent by electronic communication was given or sent in accordance with current guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice or document was sent or given.

30.6 Any notice or other document may be served or delivered by the Company by reference to the register as it stands at any time not more than 15 days before the date of service or delivery, no change in the register of members after that time shall invalidate the service or delivery.

31 UNTRACED MEMBERS

31.1 The Company shall, subject to the Act, be entitled to sell the Shares of a Member or the Shares to which a person is entitled by virtue of transmission on death or bankruptcy or otherwise by operation of law if and provided that during the previous period of 12 years no communication has been received by the Company from the Member or the person entitled by transmission or otherwise by operation of law and 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 or otherwise by operation of law to the Shares at his address on the register of Members or otherwise supplied by him pursuant to these Articles or otherwise the last known address given by the Member or the person entitled by transmission or otherwise by operation of law to which cheques and warrants are to be sent has been cashed or other directed payment system has worked and at least three dividends in respect of the Shares in question have become payable and no dividend in respect of those Shares has been claimed.

31.2 To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of the said Shares 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 or otherwise by operation of law to such Shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former Member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former Member or other person in the books of the Company as a creditor for such amount which shall be a permanent debt of the Company. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may 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.

32 VOLUNTARY WINDING UP AND DISSOLUTION

The Company may by a Resolution of Members or by a Resolution of Directors appoint a voluntary liquidator.

33 TAKEOVER PROVISIONS

33.1 If at any time when the Company is not subject to the United Kingdom City Code on Takeovers and Mergers as may from time to time be published (the "**City Code**") or any

successor regime (whether statutory or non-statutory) governing the conduct of takeovers and mergers in the UK or any other regime governing the conduct of takeovers and mergers in any other country (any of such being the **"Takeover Regime"**):

- 33.1.1 any person who, together with persons acting in concert with him, acquires, whether by a series of transactions over a period of time or not, interests in Shares which (taken together with interests in Shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of the Company; or
- 33.1.2 any person who, together with persons acting in concert with him, holds interests in Shares representing not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires an interest in additional Shares which increase his percentage of the voting rights;

the Board shall be entitled, but not obliged, to require such person (other than the Depository in its capacity as such) (the **"Offeror"**) to extend an offer, on the basis set out in this Regulation 33, to the holders of all the issued Shares in the Company.

- 33.2 Any offer made under this Regulation must be unconditional if the Offeror holds Shares and any person acting in concert with it holds Shares carrying more than 50% of the voting rights before the offer is made.
- 33.3 No acquisition of Shares which would give rise to a requirement for any offer under this Regulation may be made or registered if the making or implementation of such offer would or might be dependent on the passing of a resolution at any meeting of members of the Offeror or upon any other conditions, consents or arrangements.
- 33.4 Offers made under this Regulation must, in respect of each class of Shares involved, be in cash or be accompanied by a cash alternative at not less than the highest price paid by the Offeror or any person acting in concert with it for Shares of that class during the offer period and within 12 months prior to its commencement. Offers made under this Regulation must be made in writing and publicly disclosed and must be open for acceptance for a period of not less than 30 days. The cash offer or the cash alternative must remain open after the offer has become or is declared unconditional as to acceptances for not less than 14 days after the date of which it would otherwise have expired.
- 33.5 No nominee of an Offeror or persons acting in concert with it may be appointed as a Director, nor may an Offeror and persons acting in concert with it exercise the votes attaching to any Shares held in the Company until the offer document has been posted. If a Director is affiliated with an Offeror his office shall be vacated.
- 33.6 Any offer required to be made pursuant to this Regulation 33 shall be made on terms that would be required by the City Code save to the extent that the Board otherwise determines. Except with the consent of the Board, Members shall comply with the requirements of the City Code in relation to any dealings in any Shares of the Company and in relation to their dealings with the Company in relation to all other matters. Any matter which under the City Code would fall to be determined by the United Kingdom Panel on Takeovers and Mergers (the **"Panel"**) shall be determined by the Board in its absolute discretion or by such person appointed by the Board to make such determination provided that no infringement is ever made of the general principle of equality between Members. Any notice which under the City Code is required to be given to the Panel or any person (other than the Company) shall be given to the Company at its registered office.
- 33.7 If at any time the Board is satisfied that any Member having incurred an obligation under this Regulation 33 to extend an offer to the holders of all issued Shares shall have failed to do so, or that any Member is in default of any other obligation imposed upon Members pursuant to this Regulation 33, then the Board may, in its absolute discretion at any time thereafter by notice (a **"discretion notice"**) to such Members and any other Members acting in concert with such Members (together the **"defaulters"**) direct that:
 - 33.7.1 the defaulters provide such information as the Board considers appropriate;

- 33.7.2 make an award for costs against the defaulters;
- 33.7.3 the defaulters sell some or all of the Shares held by them (the “**default shares**”;
- 33.7.4 in respect of the default shares the defaulters shall not be entitled to vote at a general meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company;
- 33.7.5 except in a liquidation of the Company, no payment shall be made of any sums due from the Company on the default shares, whether in respect of capital or dividend or otherwise, and the Company shall not meet any liability to pay interest on any such payment when it is finally paid to the Members; and
- 33.7.6 no other distribution shall be made in respect of the default shares.

The Board may at any time give notice cancelling a discretion notice.

33.8 If an offer shall be made pursuant to this Regulation 33 and:

- 33.8.1 the Offeror (together with persons acting in concert with him) has by virtue of acceptance of the offer acquired or contracted to acquire some (but not all) of the Shares to which the offer relates; and
- 33.8.2 those Shares, with or without any other Shares which the Offeror (together with persons acting in concert with him) holds or has acquired or contracted to acquire,

would result in the Offeror (together with persons acting in concert with him) obtaining or holding an interest in Shares conferring in aggregate 90 per cent. or more of the voting rights conferred by all the Shares then in issue then the Offeror shall be entitled to give a notice (the “**Squeeze Out Notice**”) to all other holders of Shares in respect of all the Shares then in issue and held by them in respect of which the offer has not yet been accepted. The Squeeze Out Notice shall be made in writing, be at the same price and on the same terms as the offer and be capable of acceptance for a period of not less than 30 days after the date of the Squeeze Out Notice.

- 33.9 Upon delivery of the Squeeze Out Notice each of the recipients (“**Called Shareholders**”) (a) shall be deemed to have accepted the offer in respect of all Shares held by it and (b) shall become obliged to deliver to the Offeror or as the Offeror may direct an executed transfer of such Shares and (if it exists) the certificate(s) in respect of the same. Squeeze Out Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Called Shareholders’ Shares within 60 days after the date of service of the Squeeze Out Notice. The Offeror shall be entitled to serve further Squeeze Out Notices following the lapse of any particular Squeeze Out Notice.
- 33.10 Completion of the sale of Shares pursuant to a Squeeze Out Notice shall take place on the same date on which Shares are sold under the offer (or, if later, within 7 days of expiry of the period for acceptances as set out in the Squeeze Out Notice).
- 33.11 Upon any person, following the issue of a Squeeze Out Notice, becoming a Member of the Company pursuant to the exercise of a pre-existing option or right to acquire Shares in the Company (a “**New Member**”), a Squeeze Out Notice shall be deemed to have been served upon the New Member on the same terms as the previous Squeeze Out Notice who shall thereupon be bound to sell and transfer all such Shares acquired by him to the Offeror or as the Offeror may direct and the provisions of this Regulation shall apply mutatis mutandis to the New Member save that completion of the sale of such Shares shall take place forthwith upon the Squeeze Out Notice being deemed served on the New Member.
- 33.12 At completion of the sale of any Shares pursuant to this Regulation 33 and upon payment of the consideration for the Shares (whether to the relevant Members or to the Company) and the Company receiving a transfer (duly stamped if appropriate), in respect of the relevant Shares (whether executed by a holder of Shares or by any person on behalf of any holder of Shares pursuant to Regulation 33.13 the Offeror or its nominee shall be entered in the

relevant register of Members. The certificate(s) in respect of any Shares so transferred, in the name of the original Member shall be deemed to be cancelled and (if required by the Offeror) a new certificate shall be issued in the name of Offeror or its nominee. The receipt of the Company for the consideration shall be a good discharge to Offeror who shall not be bound to see to the application of it, and after such registration in exercise of the above powers the validity of the proceedings shall not be questioned by any person. The Company shall hold the said consideration on behalf of any such Member in a separate bank account on trust for the relevant Member pending delivery up of the cancelled certificate(s) (if such exist) but shall not be bound to earn or pay interest thereon.

33.13 If any holder of Shares does not on completion of the sale of any Shares pursuant to this Regulation 33 execute transfer(s) in respect of all the Shares held by him the defaulting holder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Company to be his agent and attorney to execute all necessary transfer(s) on his behalf and against receipt by the Company (on trust for such holder) of the purchase monies or any other consideration payable for the relevant Shares deliver such transfer(s) to the Offeror (or as it may direct) and the Directors shall forthwith register the Offeror (or its nominee) as the holder thereof and, after the Offeror (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. It shall be no impediment to registration of Shares under this Regulation that no share certificate has been produced.

33.14 In construing this Regulation 33:

33.14.1 words and expressions used in or defined in the City Code shall bear the same meanings given by the City Code; and

33.14.2 where Shares in which a person appears to be interested are held by the Depositary, the provisions of this Regulation 33 shall be treated as applying only to those Shares held by the Depositary in which such person appears to be interested and not (insofar as such person's apparent interest is concerned) to any other Shares held by the Depositary in its capacity as a Depositary.

33.15 The Board shall have no liability to any Member, any person who has any interest in Shares, or any other person for the manner in which they exercise or refrain from exercising any suspension powers under this Regulation 33 or for any determination which the Board makes as to the application of the provisions of this Regulation to any particular circumstances.

We, **Geneva Management Group (BVI) Ltd, of Coastal Building, 2nd Floor, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands** for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign these Articles of Association this 19th day of November 2009:

Incorporator

Sgd: Dale George-Malone
Authorised Signatory
Geneva Management Group (BVI) Ltd

