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To the bondholders in:
ISIN NO 001 0713779

**12.00 per cent. Xcite Energy Resources Limited Senior Secured
Callable Bond Issue 2014/2016**

Oslo, 18 July 2016

Notice of a Written Bondholders' Resolution

1. NOTICE OF A WRITTEN BONDHOLDERS' RESOLUTION

Nordic Trustee ASA (the "**Bond Trustee**") acts as trustee for the holders of the bonds (the "**Bondholders**") in the above mentioned bond issue (the "**Bond Issue**" or the "**Bonds**") in respect of which Xcite Energy Resources plc (formerly Xcite Energy Resources Limited) (the "**Issuer**") is the issuer and Xcite Energy Limited (the "**Parent**") is the guarantor.

All capitalised terms used in this summons (the "**Summons**") shall have the meaning assigned to them in the bond agreement dated 27 June 2014 (as amended and/or restated from time to time, including on 30 June 2016 by amendment agreement no. 1) and made between the Issuer, the Parent and the Bond Trustee (the "**Bond Agreement**") unless otherwise stated herein.

The Issuer has requested that the Bond Trustee issue this request for a written Bondholders' resolution pursuant to Clause 16.5 (*Written Resolution*) of the Bond Agreement to consider approval of the Proposed Resolution (as defined below).

2. BACKGROUND

The shares in the Parent (the "**Parent Shares**") were historically admitted to trading on the Toronto Stock Exchange (the "**TSX**"). As a result, the Parent's articles of association (the "**Articles of Association**") include a number of provisions relevant to the TSX and adopted pursuant to advice from the Parent's historical Canadian advisors. As the Parent Shares no longer trade on the TSX, the Parent is proposing to amend its Articles of Association to remove these provisions. In addition, the Parent is proposing to update its Articles of Association in order to bring them into line with the current laws of the British Virgin Islands, where the Parent is incorporated.

In light of the above, the Issuer is proposing the following amendments to the Articles of Association (and in this paragraph, all references to an "**Article**" are to the relevant article in the Articles of Association):

- (a) Article 3.12 shall be deleted in its entirety and the following shall be inserted as a new Article 3.12:

"3.12 A bonus share issued by the Company shall be deemed to have been fully paid for on issue."
- (b) the following shall be inserted into Article 7.1 immediately after the words "requirements of the Act":

“or without the need for a written instrument of transfer if the transfer is carried out in accordance with the requirements:

- (a) applicable to shares listed on AIM;*
 - (b) of the London Stock Exchange; and*
 - (c) of these Articles.”;*
- (c) the word “provided” in Article 20.1 shall be deleted and replaced with the words “in relation to any Directors’ meeting and any written resolution circulated for written consent, save that he may not himself appoint an alternate Director or proxy and in the case of any Directors’ meeting,”;
- (d) the words “and underlying documentation” shall be inserted into Article 34.1 immediately after the word “records”; and
- (e) a new Article 34.2 shall be inserted as follows and the numbering of that Article shall be amended accordingly:

“The records required to be kept by the Company under the Act, the Mutual Legal Assistance (Tax Matters Act), 2003, the Memorandum or these Articles shall be kept in written form or either wholly or partly as electronic records complying with the requirements of the Electronic Transactions Act (British Virgin Islands). The records and underlying documentation shall be kept for a period of at least five years from the date of completion of the relevant transaction or the company terminates the business relationship to which the records and underlying documentation relate.”;

(together, the “**Articles Amendments**”).

A copy of the Articles of Association which shows the proposed Articles Amendments is appended at Schedule 1.

On 4 July 2016, the Parent gave its shareholders notice of the Parent’s 2016 Annual General Meeting, which will be held on 27 July 2016 (“**AGM**”), at which shareholders will be asked to, amongst others, approve the Articles Amendments (as defined below).

Pursuant to Clause 15.1.11 of the Bond Agreement, the amendment of the constitutional documents of the Parent constitutes an Event of Default (which entitles the Bond Trustee to immediately declare the Outstanding Bonds (including accrued interest, costs and expenses) to be in default and due for immediate payment), unless the amendments are approved by a Bondholders’ Meeting or by Written Resolution. The Parent is therefore requesting that the Bondholders approve the Articles Amendments by way of Written Resolution so that, if the requisite majority of the Parent’s shareholders vote in favour of the Articles Amendments at the AGM and as a result the Articles of Association are amended to reflect the Articles Amendments, an Event of Default shall not occur under the Bond Agreement.

3. PROPOSED RESOLUTION

In light of the above, the Issuer proposes the following (the “**Proposed Resolution**”):

“Bondholders authorise and instruct the Bond Trustee to approve the Articles Amendments so that no Event of Default will occur under the Bond Agreement if the Articles Amendments become effective as a result of shareholder approvals provided at the AGM, such authorisation and instruction to take effect as a Written Resolution.”

4. NON-RELIANCE

The Proposed Resolution is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee and nothing herein shall constitute a recommendation to the Bondholders by the Bond Trustee. The Bondholders must independently evaluate the Proposed Resolution and decide whether or not to approve it accordingly.

None of the Bond Trustee or its advisers accept any responsibility to Bondholders in relation to the impact of the Articles Amendments or the Proposed Resolution on Bondholders' tax or accounting affairs. Each Bondholder should consult their own independent legal advisers in relation to any tax and/or accounting implications of the Articles Amendments and the Proposed Resolution.

5. WRITTEN BONDHOLDERS' RESOLUTION

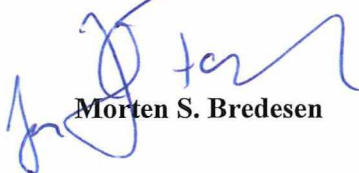
Bondholders are hereby provided with a voting request for a Written Resolution pursuant to Clause 16.5 of the Bond Agreement. For the avoidance of doubt, no Bondholders' Meeting will be held.

For a vote to be valid, the Bond Trustee must have received it by post, courier or email to the address indicated in the enclosed form at Schedule 2 (the "**Voting Form**") no later than 25 July 2016 at 13.00 hours (Oslo time) (the "**Voting Deadline**").

Notwithstanding the Voting Deadline, and subject to the provisions of Clause 16.5 of the Bond Agreement, the Proposed Resolution will become effective automatically upon receipt of affirmative votes by or on behalf of the Bondholders who at the date of this notice represent such majority of votes as would be required if the Proposed Resolution was voted on at a Bondholders' Meeting (which, for the avoidance of doubt, is 60% of the Voting Bonds pursuant to Clause 16.3.5 of the Bond Agreement) at which all Bondholders entitled to attend and vote thereat were present and voting.

Votes which are submitted are final and cannot be withdrawn. In the event that Bonds are transferred to a new owner after votes have been submitted in respect of such Bonds, the new Bondholders shall accordingly not be entitled to submit a vote.

Yours sincerely
Nordic Trustee ASA



Morten S. Bredeesen

Enclosed:

Schedule 1: Amended and Restated Memorandum of Association and Articles of Association of Xcite Energy Limited

Schedule 2: Voting Form

SCHEDULE 1

**AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION AND ARTICLES OF
ASSOCIATION OF XCITE ENERGY LIMITED**

BC No. 1376877

TERRITORY OF THE



BRITISH VIRGIN ISLANDS

THE BVI BUSINESS COMPANIES ACT ~~2004~~

AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION
AND
ARTICLES OF ASSOCIATION
OF
XCITE ENERGY LIMITED

Incorporated on the 5th day of January, 2007

{Amended} on the ~~1st~~ day of ~~June~~, 2011 and ~~the~~
the ___ day of June, 2016

TERRITORY OF THE BRITISH VIRGIN ISLANDS

BVI BUSINESS COMPANIES ACT, ~~2004~~

**AMENDED AND RESTATED 1
MEMORANDUM OF ASSOCIATION**

OF

XCITE ENERGY LIMITED

1. NAME

The name of the company is Xcite Energy Limited (the "Company").

2. STATUS

The Company is a company limited by shares.

3. REGISTERED OFFICE AND REGISTERED AGENT

The first registered office of the Company is Geneva Place, Waterfront Drive, P. O. Box 3469, Road Town, Tortola, British Virgin Islands VG1110.

The first registered agent of the Company is Jordans Caribbean Limited of Geneva Place, Waterfront Drive, P. O. Box 3469, Road Town, Tortola, British Virgin Islands VG1110.

4. CAPACITY AND POWERS

Subject to the Act and any other British Virgin Islands legislation, the Company has, irrespective of corporate benefit:

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

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

5. NUMBER AND CLASSES OF SHARES

The Company is authorised to issue an unlimited number of shares with no par value, each having the rights and restrictions hereinafter appearing.

6. RIGHTS ATTACHING TO SHARES

6.1 Subject as hereinafter provided, to the Articles, the terms of the issue of any share, or any Resolution of Members to the contrary (and, for greater clarity, without prejudice to any special rights conferred thereby on the holders of any other shares), a share of the Company confers on the holder:

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

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

- (c) the right to an equal share in the distribution of the surplus assets of the Company on a winding up.

7. VARIATION OF CLASS RIGHTS

Whenever the Company has shares of two or more classes in issue, subject to any laws of the British Virgins Islands, the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the total issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a liquidation. To every such separate general meeting and all adjournments thereof all the provisions of the Articles relating to general meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum (other than at an adjourned meeting) shall be two persons at least holding or representing by proxy at least one-third of the total issued shares of the class and at any adjourned meeting of such holders, two holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, provided always that where the necessary majority for such a special resolution is not obtained at such general meeting, consent in writing if obtained from the holders of three-quarters of the total issued shares of the class concerned within two months of such general meeting shall be as valid and effectual as a special resolution carried at such general meeting.

8. RIGHTS NOT VARIED BY THE ISSUE OF SHARES PARI PASSU

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.

9. REGISTERED SHARES

The Company shall issue registered shares only, and such shares may be in full or fractional form. The Company is not authorised to issue bearer shares, convert registered shares to bearer shares, or exchange registered shares for bearer shares.

10. AMENDMENT OF MEMORANDUM AND ARTICLES OF ASSOCIATION

Subject to Clause 7, the Company may only amend its Memorandum or Articles by a Resolution of Members passed as a special resolution.

11. DEFINITIONS

The meanings of words in this Memorandum are as defined in the Articles annexed hereto.

We, JORDANS (CARIBBEAN) LIMITED, registered agent of the Company, of Geneva Place, Waterfront Drive, PO Box 3469, Road Town, Tortola, British Virgin Islands VG1110 for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign this Memorandum of Association on 5 January, 2007:

Incorporator



Amy Roost
Authorised Signatory
Jordans (Caribbean) Limited

AMENDED AND RESTATED §
ARTICLES OF ASSOCIATION

of

XCITE ENERGY LIMITED

(Amended on the 1st day of June 2011 and
the ____ day of June, 2016)

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1 INTERPRETATION AND CONSTRUCTION

- 1.1 In these Articles, unless the context otherwise requires, the words standing in the first column of the following table shall bear the meaning set opposite them respectively in the second column.

<u>WORD</u>	<u>MEANING</u>
“Act”	BVI Business Companies Act, 2004 as from time to time amended or restated.
“AIM”	the AIM market operated by the London Stock Exchange.
“Articles”	these articles of association as originally registered or as from time to time amended or restated.
“Associate”	in respect of a relationship with a person: <ol style="list-style-type: none"> (a) his spouse, civil partner and any child where such child is under the age of eighteen; (b) the trustees (acting as such) of any trust of which the individual or any of the individual’s spouse, civil partner and any child, where such child is under the age of eighteen is a beneficiary or discretionary object (other than a trust which is either an occupational pension scheme as defined in regulation 3 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (England and Wales), or an employees’ share scheme which does not, in either case, have the effect of conferring benefit on persons all or most of whom are related parties); (c) any company in whose equity share such a person individually or taken together with spouse, civil partner and any child, where such child is under the age of eighteen (or if a director, individually or taken together with his spouse, civil partner and any child where such child is under the age of eighteen and any other director of that company) are directly or indirectly interested (or have a conditional or contingent entitlement to become interested) to the extent that they are or could be able:

- (i) to exercise or control the exercise of 30% or more of the votes (excluding treasury shares) able to be cast at general meetings on all, or substantially all, matters, or
- (ii) to appoint or remove directors holding a majority of voting rights at board meetings on all, or substantially all, matters;
- (d) any other company which is its subsidiary undertaking, parent undertaking or subsidiary undertaking of its parent undertaking.

“Auditor”	the auditor of the Company for the time being and may include any individual or partnership.
“Board”	the board of directors of the Company appointed or elected pursuant to these Articles and acting by, or pursuant to, a resolution in accordance with the Act and these Articles or the directors present at a meeting of directors at which there is a quorum.
“Business Day”	Monday to Friday inclusive, except New Year’s Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day which is not a business day in the British Virgin Islands.
“clear days”	in relation to a period of notice, that period excluding (i) the day when the notice is given or deemed to be given; and (ii) the day for which it is given or on which it is to take effect.
“Company”	Xcite Energy Limited, a BVI Business Company incorporated with company number 1376877.
“Court”	a court of competent jurisdiction in the country or place in which the Company is registered.
“debenture”	includes debenture stock.
“Default Shares”	has the meaning set out in Article 42.6.
“Director”	a director of the Company and shall include an alternate director.
“Distribution”	the:

- (a) direct or indirect transfer of an asset, other than the Company's own shares, to or for the benefit of a Shareholder; or
 - (b) the incurring of a debt to or for the benefit of a Shareholder,
 - (e) in relation to Shares held by a Shareholder and whether by means of the purchase or an asset, the purchase, redemption or other acquisition of Shares, a transfer of indebtedness or otherwise, and includes a dividend.
- “head office”** such office of the Company as the Directors may from time to time determine to be the principal office of the Company.
- “London Stock Exchange”** London Stock Exchange plc.
- “Memorandum”** the memorandum of association of the Company as originally registered or as from time to time amended or restated.
- “month”** a calendar month.
- “Notice”** written notice as further provided in these Articles unless otherwise specifically stated.
- “Office”** the registered office of the Company for the time being.
- “paid up”** paid up or credited as paid up.
- “Register”** the register of Shareholders and, where applicable, any copies of the register of Shareholders of the Company kept in accordance with the provisions of the Act.
- “Resolution of Members”** means either
- (a) a resolution approved at a duly convened and constituted meeting of the Shareholders by the affirmative vote of the requisite majority of the votes of the Shares entitled to vote thereon which were present at the meeting and were voted thereon on a show of hands or on a poll; or
 - (b) a resolution consented to in writing by the holders of Shares entitled to vote thereon.

“Seal”	the common seal of the Company.
“Secretary”	any person, firm or corporation appointed by the Board to perform any of the duties of secretary of the Company and includes any assistant, deputy, temporary or acting secretary.
“Shares”	a share in the Company.
“Shareholder”	any person whose name is entered in the register of members of the Company as the holder of one or more Shares or fractional Shares.
“treasury share”	a Share that was previously issued but was repurchased, redeemed or otherwise acquired by the Company and not cancelled.
“year”	a calendar year.

1.2 In these Articles, unless there be something within the subject or context inconsistent with such construction:

- (a) words importing the singular include the plural and *vice versa*;
- (b) words denoting the masculine gender include the feminine and neuter genders and *vice versa*;
- (c) words importing persons include companies, associations and bodies of persons whether corporate or not;
- (d) the words:
 - (i) “**may**” shall be construed as permissive; and
 - (ii) “**shall**” and “**will**” shall be construed as imperative;
- (e) expressions referring to writing or its cognates shall be construed as including facsimile printing, lithography, photography, electronic mail and other modes of representing words in a visible form;
- (f) references to any law, act, ordinance, statute or statutory provision shall be interpreted as relating to any statutory modification or re-enactment thereof for the time being in force;
- (g) save as aforesaid words and expressions defined in the Act shall bear the same meanings in these Articles;
- (h) a resolution shall be a “**special resolution**” when it has been passed by a majority of not less than three-fourths of the votes of those Shareholders present (whether in person or, being corporations, by their duly authorised representatives, or where proxies are allowed, by proxy) who are entitled to vote and voting whether as a poll

or show of hands on the resolution at a duly convened general meeting (or such other majority thereof as may be specified in the Memorandum or these Articles);

- (i) a resolution shall be an “**ordinary resolution**” when it has been passed by a simple majority of votes of those Shareholders present (whether in person or being corporations, by their duly authorised representatives, or where proxies are allowed, by proxy) who are entitled to vote and voting whether as a poll or show of hands on the resolution at a duly convened general meeting (or such other majority thereof as may be specified in the Memorandum or these Articles);
- (j) a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles and save where a special resolution is expressly required by the Act, the Articles or the Memorandum a Resolution of the Members shall be passed as an ordinary resolution;
- (k) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not; and
- (l) in these Articles, a reference to AIM has effect if, and only if, at the relevant time Shares are admitted to AIM.
- (m) any words not otherwise defined herein shall have the meaning set out in the Act.

1.3 Without prejudice to any other provision of the Act, the Memorandum or the Articles requiring any matter to be approved by a special resolution, the following matters shall require shareholder approval by way of a special resolution:

- (a) any amendment to its Memorandum or Articles of Association;
- (b) a reorganisation or reconstruction of the Company;
- (c) a merger or consolidation of the Company with one or more other companies, if the surviving company or the consolidated company is a company incorporated under the Act;
- (d) a separation of two or more businesses carried on by the Company;
- (e) any sale, transfer, exchange or other disposition of all or substantially all of the assets or business of the Company to any person in exchange for shares, debt obligations or other securities of that other person, or money or other assets, or a combination thereof otherwise than in the ordinary course;
- (f) any sale, transfer, exchange or other disposition of all or substantially all of the shares, debt obligations or other securities in the Company held by the holders thereof for shares, debt obligations or other securities in the Company or money or other property, or a combination thereof otherwise than in the ordinary course;
- (g) a purchase or redemption by the Company of its own shares;

- (h) the approval of a scheme or plan involving a merger, division or other arrangement involving the business or affairs of the Company or any or all of the holders of its securities or of any option or right to acquire any securities in respect of the Company;
- (i) to add, change or remove restrictions in the issue, transfer or ownership of shares;
- (j) any continuance under the law of any other jurisdiction;
- (k) the winding-up, dissolution or liquidation of the Company;
- (l) any combination of any of the things specified in paragraph (a) to (k) above.

2 SHARES

Shares shall have the rights and may be redeemed, repurchased and held in treasury in accordance with the provisions set out in the Memorandum.

3 ISSUE OF SHARES

- 3.1 Subject to the Act and to these Articles and to any Resolution of the Members to the contrary and without prejudice to any special rights or restrictions for the time being attached to any Shares or any class or series of Shares, the unissued Shares shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may in its absolute discretion determine.
- 3.2 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.
- 3.3 Shares in the Company shall be issued for money, services rendered, personal property (including other Shares, debt obligations or other securities in the Company) or an estate in real property or any combination of the foregoing as shall be determined by the Board but may not be issued for a promissory note or other binding obligation to contribute money or property.
- 3.4 Subject to the provisions of the Memorandum, the Board is authorised to provide for the issuance of preference Shares in one or more series, and to establish from time to time the number of Shares to be included in each such series.
- 3.5 Subject to the provisions of the Act, any preference Shares may be issued or converted into Shares that (at a determinable date or at the option of the Company or the holder) are liable to be redeemed on such terms and in such manner as may be set out in the Memorandum.
- 3.6 Any preference Shares of any series which have been redeemed (whether through the operation of a sinking fund or otherwise) or which, if convertible or exchangeable, have been converted into or exchanged for Shares of any other class or classes shall have the status of authorised and unissued preference Shares of the same series and may be reissued as a part of the series of which they were originally a part or may be reclassified and reissued as part of a new series of preference Shares to be created by resolution or resolutions of the Board or as part of any other series of preference Shares, all subject to the conditions and the

restrictions on issuance set forth in the resolution or resolutions adopted by the Board providing for the issue of any series of preference Shares.

- 3.7 At the discretion of the Board, whether or not in connection with the issuance and sale of any Shares or other securities of the Company, the Company may issue securities, contracts, warrants or other instruments evidencing any shares, option rights, securities having conversion or option rights, or obligations on such terms, conditions and other provisions as are fixed by the Board, including, without limiting the generality of this authority, conditions that preclude or limit any person or persons owning or offering to acquire a specified number or percentage of the issued ordinary shares, other shares, option rights, securities having conversion or option rights, or obligations of the Company or transferee of the person or persons from exercising, converting, transferring or receiving the shares, option rights, securities having conversion or option rights, or obligations.
- 3.8 The Company may, in connection with the issue of any shares, exercise all powers of paying commission and brokerage conferred or permitted by the Act. Subject to the Act, the commission may be satisfied by the payment of cash or by the allotment of fully paid shares or partly in one and partly in the other.
- 3.9 Except as required by law, no person shall be recognised by the Company as holding any share upon any 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 fractional part of a share or (except only as otherwise provided by these Articles or by law) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
- 3.10 Subject to the terms and conditions of any application for shares, the Board shall allot shares applied for within ten Business Days of the closing date of any such application.
- 3.11 Subject to the Act and these Articles, the Board may at any time after the allotment of Shares but before any person has been entered in the Register as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a Share a right to effect such renunciation upon and subject to such terms and conditions as the Board considers fit to impose.
- 3.12 ~~Any Director who votes for or consents to a resolution authorising the issue of a share for consideration other than money is jointly and severally liable to the Company to make good any amount by which the consideration received is less than the fair equivalent of the money that the Company would have received if the share had been issued for money on the date of the resolution.~~ A bonus share issued by the Company shall be deemed to have been fully paid for on issue.

4 SHARE CERTIFICATES

- 4.1 Every share certificate shall be issued either under Seal (or a facsimile thereof) with or without the signature of any Director, or signed by at least one Director or such other person who may be authorised by the Board to sign share certificates, and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up thereon and may otherwise be in such form as the Directors may from time to time determine. No certificate shall be issued representing Shares of more than one class. The signatures on any such certificates (or certificates in respect of other securities) need not

be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon so that such certificates need not be signed by any person.

- 4.2 In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.
- 4.3 Where a share stands in the names of two or more persons, the person first named in the Register shall, as regards service of notices and, subject to the provisions of these Articles, all or any other matters connected with the Company, except the transfer of the shares, be deemed the sole holder thereof.
- 4.4 Where a share stands in the names of two or more persons, any request relating to cancellation or issue of a share certificate may be made by any one of the registered joint holders.
- 4.5 Every person whose name is entered as a Shareholder in the Register shall be entitled, without payment, to receive one certificate for all shares of any one class or several certificates each for one or more of such Shares of such class.
- 4.6 Upon every transfer of Shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued to the transferee in respect of the shares transferred to him.
- 4.7 Where a Shareholder transfers part only of the Shares comprised in a certificate or where a Shareholder requires the Company to cancel any certificate and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and such Shareholder shall pay all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Board in its absolute discretion may require.
- 4.8 Every person whose name is entered as a Shareholder in the Register shall be entitled to receive within ten Business Days of the date of allotment or within ten Business Days after the date of lodgement of a registrable transfer, share certificates in reasonable denominations for the Shares so allotted or transferred.
- 4.9 Subject to any applicable laws of the British Virgin Islands, if any share certificate is defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, as the Directors shall require, and (in case of defacement or wearing out) on delivery of the old certificate and in any case on payment of such sum as the Directors may from time to time require together with the amount of the stamp duty payable (if any) on each share certificate. In the case of destruction, loss or theft, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.
- 4.10 Where certificates for shares are not required to be issued, the Company shall issue, or cause to be issued, to each Shareholder, statements of the holdings of Shares registered in the Shareholder's name.

5 REGISTER OF SHAREHOLDERS

- 5.1 The Directors shall cause there to be kept a register of Shareholders in which there shall be recorded the name and address of each Shareholder, the number of each class and series of Shares held by each Shareholder, the date on which the name of each Shareholder was entered in the register of Shareholder and the date upon which any person ceased to be a Shareholder.
- 5.2 The register of Shareholder may be in 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. Unless the ~~directors~~ Directors otherwise determine, the magnetic, electronic or other data storage form shall be the original register of Shareholder.

6 RECORD DATES

Notwithstanding any other provision of these Articles, and subject to the Act, the Company or the Directors may fix any date as the Record Date for:

- (a) determining the Shareholders entitled to receive any Distribution, allotment or issue and such Record Date may be on, or at any time not more than thirty days before or after, any date on which such Distribution, allotment or issue is declared, paid or made; and
- (b) determining the Shareholders entitled to receive notice of and to vote at any general meeting of the Company;

provided that in respect of paragraph (a) above, the Directors may fix the date on which notice is given of a general meeting, or such other date as may be specified in the notice, as the Record Date for determining those Shareholders that are entitled to vote at the general meeting.

7 TRANSFER OF REGISTERED SHARES

- 7.1 Subject to these Articles, any Shareholder may transfer all or any of his Shares by an instrument of transfer in the form acceptable to the Board provided always that such instrument complies with the requirements of the Act. ~~The instrument of transfer shall be sent to the Company for registration, or without the need for a written instrument of transfer if the transfer is carried out in accordance with the requirements~~

- (a) applicable to shares listed on AIM;
- (b) of the London Stock Exchange; and
- (c) of these Articles.

The instrument of transfer shall be sent to the Company for registration.

- 7.2 The instrument of transfer of any share shall be executed by or on behalf of the transferor and contain the name and address of the transferee. The Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to

accept mechanically executed transfers. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. The Company shall not be required to treat a transferee of a share as a Shareholder until the transferee's name has been entered in the Register. Nothing in these Articles shall preclude the Board from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.

7.3 The Board shall require that an instrument of transfer be signed by a transferee if registration as a holder of the share imposes a liability to the Company on the transferee.

7.4 The Board may, in its absolute discretion and without giving any reason therefor, pass a resolution refusing, preventing or delaying to register a transfer of any share, in respect of:

- (a) any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists; or
- (b) a transfer of any share to more than three joint holders.

7.5 No transfer shall be made to an infant or to a person of unsound mind or under other legal disability.

7.6 Save as provided in these Articles, there shall be no restriction on the transfer of fully paid up shares (except where required by law).

7.7 Without limiting the generality of the last preceding Article, the Board may decline to recognise any instrument of transfer unless:

- (a) the instrument of transfer is in respect of only one class of share; and
- (b) the instrument of transfer is lodged at the Office or the office of the Company's transfer agent accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

7.8 If the Board resolves to refuse or delay the registration of a transfer of any share, it shall, as soon as practicable send to each of the transferor and transferee notice of the refusal or delay.

7.9 The registration of transfers of shares or of any class of shares may be suspended at such times and for such periods as the Board may determine.

8 TRANSMISSION OF REGISTERED SHARES

8.1 In the case of the death of a Shareholder, the survivor or survivors where the deceased Shareholder was a joint holder, and the legal personal representatives of the deceased Shareholder where the deceased Shareholder was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Shareholder's interest in the shares. Nothing herein shall release the estate of a deceased joint holder from any liability in respect of any Share which had been jointly held by such deceased Shareholder with other persons. Subject to the provisions of the laws of the British Virgin Islands, for the purpose of this Article, legal personal representative means the executor or administrator of a deceased Shareholder or such other person as the Board may, in its absolute discretion,

decide as being properly authorised to deal with the shares of a deceased Shareholder. Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to the said share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

- 8.2 Any person becoming entitled by operation of law to a share in consequence of the death or bankruptcy or winding-up of a Shareholder may, upon such evidence as to his title being produced as may be required by the Board, elect either to become the holder of the share or to have some person nominated by him registered as the transferee thereof. If he elects to become the holder he shall notify the Company in writing to that effect. If he elects to have another person registered he shall execute a transfer of the share in favour of that person. The provisions of these Articles relating to the transfer and registration of transfers of shares shall apply to such notice or transfer as aforesaid as if the death or bankruptcy of the Shareholder had not occurred and the notice or transfer were a transfer signed by such Shareholder.
- 8.3 A person becoming entitled by operation of law to a Share by reason of the death or bankruptcy or winding-up of a Shareholder shall be entitled to the same Distributions and other advantages to which he would be entitled if he were the registered holder of the Share. However, the Board may, if it thinks fit, withhold the payment of any Distribution payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Article 12.11 being met, such a person may vote at meetings.

9 GENERAL MEETINGS

- 9.1 An annual general meeting of the Company shall be held in each year other than the year of the Company's incorporation at such time (within a period of not more than eighteen months after the date of incorporation or not more than fifteen months after the holding of the last preceding annual general meeting) and place as may be determined by the Board. At least twenty-one clear days' Notice of such meeting shall be given to each Shareholder.
- 9.2 Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting. General meetings may be held in any part of the world as may be determined by the Board.
- 9.3 The Board may, whenever it thinks fit, call extraordinary general meetings, and the Board shall call an extraordinary general meeting if requested in writing to do so by Shareholder (the "**Petitioner**") entitled to exercise, at the date of deposit of the request not less than one-tenth of the total voting rights of the matter for which the meeting is being requested. The written request shall be made to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such request. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the petitioners themselves may do so in the same manner, and all reasonable expenses incurred by the petitioners as a result of the failure of the Board shall be reimbursed to the petitioners by the Company.

10 NOTICE OF GENERAL MEETINGS

10.1 At least fourteen clear days' Notice of a general meeting (other than an annual general meeting) shall be given to those persons whose name, on the date of the Notice is given, appear in the Register and are entitled to vote at the general meeting. A general meeting at which the passing of a special resolution is to be considered shall be called by not less than twenty-one clear days' Notice. The Notice of meeting must state the date, time and place of the meeting and the general nature of the business to be considered at the meeting. A general meeting, whether or not a special resolution will be considered at such meeting, may be called by shorter Notice if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all the Shareholders entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Shareholders having the right to attend and vote at the meeting, being a majority together holding not less than ninety *per cent.* of the total voting rights on all the matters to be considered at the meeting;

and for this purpose, the presence of a Shareholder at the general meeting shall be deemed to constitute waiver on his part.

10.2 The Notice shall specify the day, time and place of the meeting and, in case of special business, the general nature of the business. Any Notice of a general meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business. The Notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Shareholders, other than to such Shareholders as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such Notices from the Company, and to each of the Directors and the Auditors.

10.3 The Secretary may postpone any general meeting called in accordance with the provisions of these Articles (other than a meeting requisitioned under these Articles) provided that Notice of postponement is given to each Shareholder before the time for such meeting. Fresh Notice of the date, time and place for the postponed meeting shall be given to each Shareholder in accordance with the provisions of these Articles.

10.4 The inadvertent failure to give Notice of a meeting or (in cases where instruments of proxy are sent out with the Notice) to send such instrument of proxy to, or the fact that a Shareholder has not received such Notice or such instrument of proxy by, any person entitled to receive such Notice shall not invalidate any resolution passed or the proceedings at that meeting.

11 PROCEEDINGS AT GENERAL MEETINGS

11.1 Shareholders may participate in any general meeting by means of such telephone or other electronic means as permit all persons participating in the meeting to hear and communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

- 11.2 All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting, with the exception of sanctioning dividends, the reading, considering and adopting of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet, the election of Directors and appointment of Auditors and other officers in the place of those retiring, the fixing of the remuneration of the Auditors, and the voting of remuneration or extra remuneration to the Directors.
- 11.3 No business, other than the appointment of a chairman of a meeting, shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business. Except as herein otherwise provided, two Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy shall form a quorum, provided that if the Company shall at any time have only one Shareholder, one Shareholder present in person (or being a corporation by its duly authorised representative) or by proxy shall form a quorum, for the transaction of business at any general meeting of the Company held during such time.
- 11.4 If within thirty minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened at the request of Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board may determine. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.
- 11.5 The chairman of the Board (if one is appointed) shall preside as chairman at every general meeting. If there is no chairman of the Board or at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, or is not willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen retires from the chair, the Shareholders present in person or by proxy and entitled to vote shall elect one of their number to be chairman.
- 11.6 The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' Notice of the adjourned meeting shall be given specifying the time and place of the adjourned meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give notice of an adjournment.
- 11.7 If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

12 VOTING

12.1 Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Memorandum or these Articles, at any general meeting (i) on a show of hands each Shareholders present in person (or being a corporation, is present by a representative duly authorised under Article 14) or by proxy, and each holder of a preference share who has a right to vote on the resolution and who is present in person (or being a corporation, is present by a representative duly authorised under Article 14), shall have one vote and the chairman of the meeting shall determine which proxy shall be entitled to vote where a Shareholder is represented by two proxies, and (ii) on a poll every Shareholder present in person or by proxy (or in the case of a Shareholder being a corporation, by its duly authorised representative), and each holder of a preference share who has a right to vote on the resolution, shall have one vote for every fully paid share of which he is the holder. A resolution put to the vote of a meeting shall, be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting;
- (b) by at least three Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting;
- (c) by Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and holding at least one-tenth of the shares in the Company conferring a right to vote at the meeting.

A demand by a person as proxy for a Shareholder (or in the case of a Shareholder being a corporation by its duly authorised representative) shall be deemed to be the same as a demand by a Shareholder.

- 12.2 Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.
- 12.3 If a poll is duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 12.4 A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner (including the use of ballot or voting papers or tickets) and either forthwith or at such time (being not later than thirty days after the date of the demand) and place as the chairman

directs. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll not taken immediately.

- 12.5 The demand for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which the poll has been demanded, and, with the consent of the chairman, it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.
- 12.6 On a poll votes may be given either personally or by proxy.
- 12.7 A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.
- 12.8 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.
- 12.9 Where there are joint holders of any share, each of them may be present in person or by proxy at a general meeting and may speak as a Shareholder. If only one of the joint holders is present in person or by proxy, he may vote in respect of such Share as if he were solely entitled thereto, but if more than one such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding. Several executors or administrators of a deceased Shareholder in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.
- 12.10 A Shareholder who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, *curator bonis* or other person in the nature of a receiver, committee or *curator bonis* appointed by such court, and such receiver, committee, *curator bonis* or other person may vote on a poll by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office or head office, as appropriate, not less than forty-eight hours before the time appointed for holding the meeting, or adjourned meeting or poll, as the case may be.
- 12.11 Any person entitled under Article 8.3 to be registered as the holder of any Shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of the holding of the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his entitlement to such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof.
- 12.12 No Shareholder shall, unless the Board otherwise determines, be entitled to attend and vote and to be reckoned in a quorum at any general meeting unless he is duly registered.
- 12.13 If:

- (a) any objection shall be raised to the qualification of any voter;
- (b) any votes have been counted which ought not to have been counted or which might have been rejected; or
- (c) any votes are not counted which ought to have been counted;

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

13 PROXIES

- 13.1 Any Shareholder entitled to attend and vote at a meeting of the Company who is the holder of two or more shares shall be entitled to appoint not more than two proxies to attend, speak and vote instead of him at the same general meeting.
- 13.2 In any case where an instrument of proxy appoints more than one proxy the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument of proxy.
- 13.3 A proxy need not be a Shareholder. In addition, subject to Article 13.1 a proxy representing either a Shareholder who is an individual or a Shareholder which is a corporation shall be entitled to exercise the same powers on behalf of the Shareholder which he represent as such Shareholder could exercise, including, notwithstanding Article 13.1, the right to vote individually on a show of hands. On a poll, a proxy need not use all the votes he is entitled to cast or cast all such votes in the same way.
- 13.4 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.
- 13.5 The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed on behalf of the appointor, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Office) not less than forty eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty four hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the

expiration of twelve months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date. Delivery of an instrument appointing a proxy shall not preclude a Shareholder from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

- 13.6 Instruments of proxy shall be in any usual or common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two way form) and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
- 13.7 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office (or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) two hours at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.
- 13.8 Anything which under these Articles a Shareholder may do by proxy he may likewise do by his duly appointed attorney and the provisions of these Articles relating to proxies and instruments appointing proxies shall apply *mutatis mutandis* in relation to any such attorney and the instrument under which such attorney is appointed.

14 CORPORATIONS ACTING BY REPRESENTATIVES

- 14.1 Any corporation which is a Shareholder may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of Shareholders. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Shareholder and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.
- 14.2 Any reference in these Articles to a duly authorised representative of a Shareholder being a corporation shall mean a representative authorised under the provisions of this Article.

15 WRITTEN RESOLUTIONS OF SHAREHOLDERS

Subject to the Act, a resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of all persons for the time being entitled to receive notice of and to attend and vote at general meetings of the Company shall, for the purposes of these Articles, be treated as a resolution duly passed at a general meeting of the Company and, where relevant, as a special resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last Shareholder to sign, and where the resolution states a date as being the date of his signature thereof by any Shareholder the statement shall be *prima facie* evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, each signed by one or more relevant Shareholder.

16 BOARD OF DIRECTORS

- 16.1 The Directors may from time to time by ordinary resolution increase or reduce the maximum number of Directors on the Board provided, however, that the number of Directors shall not be fewer than one and shall not be more than twelve. All Directors shall be natural persons.
- 16.2 The Directors shall be elected or appointed in the first place by the first registered agent of the Company within six months of the date of incorporation of the Company. Only the Directors may appoint directors to fill a vacancy on the Board. For the purposes of these Articles, there is a vacancy on the Board if a director dies or otherwise ceases to hold office as a Director prior to the expiration of his term of office or there is otherwise a vacancy in the number of directors as fixed pursuant to Article 16.1.
- 16.3 Neither a Director nor an alternate Director shall be required to hold any Shares by way of qualification and a Director or alternate Director (as the case may be) who is not a Shareholder shall be entitled to receive notice of and to attend and speak at any general meeting of the Company and of all classes of Shares.
- 16.4 A Director may be removed from office, with or without cause, at any time before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement):
- (a) by the Shareholders, at a general meeting called for the purpose of removing the Director or for other purposes, including the removal of the Director, and held in accordance with these Articles, by ordinary resolution, or by resolution in writing, passed by at least seventy-five *per cent.* of the Shareholders entitled to vote, in accordance with these Articles; or
 - (b) by the Board, at a meeting called for the purpose of removing the Director or for other purposes, including the removal of the Director, and held in accordance with these Articles, by majority vote, or by resolution in writing signed by all Directors except the Director to be removed.
- 16.5 Notice of a meeting called under Article 16.4 (a) or (b) above, as the case may be, shall state that the purpose of the meeting is, or the purposes of the meeting include, the removal of a Director.

- 16.6 A vacancy on the Board created by the removal of a Director under the provisions of 16.4 (a) above may be filled by the election or appointment of a person as a Director by the remaining Directors at the meeting at which, or by the resolution in writing passed by which, such Director is removed.
- 16.7 Any Director appointed by the Directors, either to fill a vacancy or as an additional director, shall retire at the next annual general meeting of the Company and shall then be eligible for re-election at that meeting.

17 RETIREMENT OF DIRECTORS

- 17.1 Each Director shall retire at least once every three years and for this purpose, 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 less than one-third) shall retire from office by rotation provided that any Director appointed by the Directors either to fill a vacancy or as additional director shall not be taken into account in determining the number of Directors who are to retire by rotation.
- 17.2 The Directors to retire by rotation shall be those Directors 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.
- 17.3 The Company at the meeting at which a Director retires under any provision of these Articles may by Resolution of Members fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected except in any of the following cases:
- (a) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost; or
 - (b) where such Director has given notice in writing to the Company that he is unwilling to be re-elected.

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

- 17.4 A person who is not a retiring Director shall be eligible for election to office of Director at any general meeting if a Shareholder intending to propose him has at least eleven clear days before the meeting, left at the Office a Notice duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such Shareholder to propose him. In the case of a person recommended by the Directors for election, nine clear days' Notice only shall be necessary. Notice of each and every candidature for election to the Board shall be served on the Shareholders at least seven days prior to the meeting at which the election is to take place.

18 DISQUALIFICATION OF DIRECTORS

The office of a Director shall be vacated if the Director:

- (a) resigns his office by notice in writing delivered to the Company at the Office or tendered at a meeting of the Board. The resignation shall have effect from the date the notice is received by the Company or from such later date as may be specified in the notice;
- (b) becomes of unsound mind or dies;
- (c) without special leave of absence from the Board, is absent from meetings of the Board for six consecutive months, and his alternate Director, if any, has not during such period attended in his stead and the Board resolves that his office be vacated;
- (d) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
- (e) is prohibited by law from being a Director or is otherwise disqualified to act as a director under the Act; or
- (f) ceases to be a Director by virtue of any provision of the laws of the British Virgin Islands or is removed from office pursuant to these Articles.

19 EXECUTIVE DIRECTORS

- 19.1 The Board may from time to time appoint any one or more of its body to be a managing director or a person holding an equivalent position, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such period (subject to their continuance as Directors) and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director. A Director appointed to an office under this Article shall be subject to the same provisions as to removal as the other Directors of the Company, and he shall (subject to the provisions of any contract between him and the Company) *ipso facto* and immediately cease to hold such office if he shall cease to hold the office of Director for any cause. Where the appointment is for a fixed term, such term shall not exceed five years.
- 19.2 A managing director or a person holding an equivalent position shall at all times be subject to the control of the Board but subject thereto the Board may from time to time entrust to and confer upon a managing director for the time being such of the powers exercisable under these Articles by the Board as they may think fit and may confer such powers for such time and to be exercised on such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.
- 19.3 Unless otherwise determined by the Board, an executive director appointed to an office under Article 19.1 shall not be entitled to receive any remuneration (whether by way of salary, commission, participation in profits or otherwise or by all or any of those modes).

Notwithstanding Article 21, where the Board determines that such executive director shall receive such remuneration and/or allowances as the Board may determine, either in addition to or in lieu of his remuneration as a Director, he shall not in any circumstances be remunerated by a commission on or a percentage of turnover.

20 ALTERNATE DIRECTORS

- 20.1 Any Director may at any time by written Notice delivered to the Office or at a meeting of the Directors appoint any person (other than another Director) who is not disqualified from being a director under the Act, to be his alternate Director. Any person so appointed shall have all the rights and powers of the Director for whom such person is appointed in the alternative ~~provided~~in relation to any Directors' meeting and any written resolution circulated for written consent, save that he may not himself appoint an alternate Director or proxy and in the case of any Directors' meeting, that such person shall not be counted more than once in determining whether or not a quorum is present.
- 20.2 An alternate Director may be removed at any time by the person who appointed him or by the Board and, subject thereto, the office of alternate Director shall continue until the Director for whom such alternate Director was appointed ceases for any reason to be a Director.
- 20.3 Any appointment or removal of an alternate Director may be effected by Notice signed by the appointor and delivered to the Office or tendered at a meeting of the Board.
- 20.4 An alternate Director may not act as alternate to more than one Director.
- 20.5 An alternate Director shall be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as the Director appointing him and shall be entitled to such extent to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director.
- 20.6 An alternate Director shall only be a Director for the purposes of the Act and shall only be subject to the provisions of the Act insofar as they relate to the duties and obligations of a Director when performing the functions of the Director for whom he is appointed in the alternative and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him.
- 20.7 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company any fee in his capacity as an alternate Director except only such part, if any, of the remuneration otherwise payable to his appointor as such appointor may by Notice to the Company from time to time direct.
- 20.8 If the appointor of an alternate director is for the time being absent from his usual place of residence or otherwise not available or unable to act, the signature of an alternate Director to any resolution in writing of the Board or a committee of the Board of which his appointor is a member shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor.

- 20.9 An alternate Director shall, *ipso facto*, cease to be an alternate Director if his appointor ceases for any reason to be a Director, however, such alternate Director or any other person may be re-appointed by the Directors to serve as an alternate Director; provided always that, if at any meeting any Director retires but is re-elected at the same meeting, any appointment of such alternate Director pursuant to these Articles which was in force immediately before his retirement shall remain in force as though he had not retired.

21 DIRECTORS' FEES AND EXPENSES

- 21.1 There shall be paid to the Directors such fees for their services in the office of director (including fees for services as a member of any committee of Directors) as may be determined from time to time by the Board. Such fees shall be distinct from and additional to any remuneration or other benefits which may be paid or provided to any Director pursuant to any other provision of these Articles.
- 21.2 Subject to Article 21.1, the total amount of directors' fees payable by the Company, or any of the Company's Related Bodies Corporate, to the Directors, shall not be increased except pursuant to an ordinary resolution passed at a general meeting where notice of the general meeting includes details of the amount of the proposed increase, the maximum amount that may be paid to the Directors as a whole.
- 21.3 Each Director shall be entitled to be repaid or prepaid all travelling, hotel and incidental expenses and authorised business expenses reasonably incurred or expected to be incurred by him in attending meetings of the Board or committees of the Board or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of his duties as a Director and in accordance with the Company's policies on reimbursements or prepayments of expenses as in effect from time to time.
- 21.4 Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Article.
- 21.5 The remuneration (including any remuneration under Article 21.4 above) in the case of a Director other than an executive Director shall be payable by a fixed sum and shall not at any time be by commission on or percentage of the profits or turnover, and no director whether an executive Director or otherwise shall be remunerated by a commission on or percentage of turnover.
- 21.6 Directors are not entitled to any pension, retirement or similar benefits. The Board shall obtain the approval of the Shareholders in general meeting before making any payment to any Director or past Director by way of compensation for loss of office, or as consideration for or in connection with his retirement from office (not being payment to which the Director is contractually entitled).

22 DIRECTORS' INTERESTS

22.1 Subject to the provisions of the Act, a Director may:

- (a) hold any other office or position of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine. Any remuneration (whether by way of salary, commission, participation in profits or otherwise) paid to any Director in respect of any such other office or place of profit shall be in addition to any remuneration provided for by or pursuant to any other Article; and/or
- (b) act by himself or through his firm in a professional capacity for the Company (other than as Auditor) and he or his firm may be remunerated for professional services as if he were not a Director; and/or
- (c) continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other company promoted by the Company or in which the Company may be interested as a vendor, shareholder or otherwise and (unless otherwise agreed) no such Director shall be accountable for any remuneration, profits or other benefits received by him as a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of or from his interests in any such other company. Subject as otherwise provided by these Articles the Directors may exercise or cause to be exercised the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, joint managing directors, deputy managing directors, executive directors, managers or other officers of such company) or voting or providing for the payment of remuneration to the director, managing director, joint managing director, deputy managing director, executive director, manager or other officers of such other company and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or about to be, appointed a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.

22.2 Subject to the Act and to these Articles, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Shareholders for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract, arrangement or transaction in which he is interested in accordance with Article 22.3.

22.3 A Director who, to his knowledge, is in any way, whether directly or indirectly, interested in a contract, arrangement or transaction or proposed contract, arrangement or transaction with the Company shall disclose or declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. For the purposes of this Article, a general Notice to the Board by a Director to the effect that:

- (a) he is a member, director, officer or trustee of a specified company, firm or other person and is to be regarded as interested in any contract, arrangement or transaction which may after the date of the Notice be made with that company, firm or person; or
- (b) he is to be regarded as interested in any contract, arrangement or transaction which may after the date of the Notice be made with a specified person who is connected with him,

shall be deemed to be a sufficient declaration of interest under this Article in relation to any such contract, arrangement or transaction, provided that no such Notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given. For the purposes of this Article, a disclosure shall not be taken to have been made to the Board unless it is made or brought to the attention of every Director on the Board.

22.4 A Director shall not vote on any resolution of the Board in respect of any contract, arrangement or transaction or proposed contract, arrangement or transaction in which he has directly or indirectly a personal material interest. Such a Director shall also not be counted in determining whether a quorum is present at a meeting of the Board at which such contract, arrangement or transaction or proposed contract, arrangement or transaction in which he has directly or indirectly a personal material interest is considered. Matters in which he shall not be considered to have a personal material interest shall include the following:

- (a) any contract, arrangement or transaction for the giving to such Director any security or indemnity in respect of money lent by him or obligations incurred or undertaken by him at the request of or for the benefit of the Company or any of its subsidiaries;
- (b) any contract, arrangement or transaction for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director has himself assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (c) any contract, arrangement or transaction in which he is interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his interest in shares or debentures or other securities of the Company;
- (d) any contract, arrangement or transaction concerning any other company in which he is interested only, whether directly or indirectly, as an officer or executive or a shareholder other than a company in which the Director together with any of his

Associates is beneficially interested in (other than through his interest (if any) in the Company) five *per cent.* or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest is derived);

- (e) any proposal concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates; or
- (f) any contract, arrangement or transaction which (i) is between the Director and the Company and (ii) is or is to be entered into in the ordinary course of the Company's business and on usual terms and conditions.

22.5 A company shall be deemed to be a company in which a Director owns five *per cent.* or more if and so long as (but only if and so long as) he and his Associates, (either directly or indirectly) are the holders of or beneficially interested in (other than through his interest (if any) in the Company) five *per cent.* or more of any class of shares the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder and any shares which carry no voting right at general meetings.

22.6 Where a company in which a Director together with his Associates holds five *per cent.* or more is materially interested in a contract or arrangement, then that Director shall also be deemed materially interested in such contract or arrangement.

22.7 If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.

23 GENERAL POWERS OF THE DIRECTORS

23.1 The business and affairs of the Company shall be managed by, or under the direction or supervision of the Board, which may pay all expenses incurred in forming and registering the Company and may exercise all powers of the Company (whether relating to the management of the business of the Company or otherwise) except powers that by the laws of the British

Virgin Islands or by the Memorandum or by these Articles, are required to be exercised by the Company in general meeting. The Directors have all the powers necessary for managing, and for directing and supervising, the business and affairs of the Company. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

- 23.2 Any person contracting or dealing with the Company in the ordinary course of business shall be entitled to rely on any written or oral contract or agreement or deed, document or instrument entered into or executed as the case may be by any two of the Directors acting jointly on behalf of the Company and the same shall be deemed to be validly entered into or executed by the Company as the case may be and shall, subject to any rule of law, be binding on the Company.
- 23.3 Without prejudice to the general powers conferred by these Articles, it is hereby expressly declared that the Board shall have the following powers:
- (a) to give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at such price as may be agreed;
 - (b) to give to any Directors, officers or servants of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration; and
 - (c) to resolve that the Company be deregistered in the British Virgin Islands and continued in a named country or jurisdiction outside the British Virgin Islands in the manner provided under those laws, subject to the provisions of the Act.
- 23.4 Subject to the Act, the Board may appoint an agent of the Company with any of the powers and authorities (including the power and authority to affix the Seal) and discretions vested in or exercisable by the Board other than the power:
- (a) to change the Office or the registered agent of the Company;
 - (b) to designate committees of Directors;
 - (c) to delegate powers to a committee of Directors;
 - (d) to appoint or remove Directors;
 - (e) to appoint or remove an agent;
 - (f) to fix remuneration of Directors;
 - (g) to approve a plan of merger, consolidation or arrangement;
 - (h) to make a declaration of solvency for the purposes of Section 198(1)(a) of the Act or to approve a liquidation plan;
 - (i) to make a determination under Section 57(1) of the Act that the Company will, immediately after a proposed Distribution, satisfy the solvency test; or

- (j) to authorise the Company to continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands.
- 23.5 Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person appointed as aforesaid, and may revoke or vary such delegation or power conferred, but no person dealing in good faith and without notice of any such revocation or variation shall be affected thereby.
- 23.6 The Board may, by an instrument in writing executed as a deed or signed by a person acting under the express or implied authority of the Company, appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such instrument in writing may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. Such attorney may execute any deed or instrument under their personal seal with the same effect as the affixation of the Seal. An act by such attorney in accordance with the instrument under which he or they were appointed shall bind the Company.
- 23.7 The Board may entrust to and confer upon a managing director, joint managing director, deputy managing director, an executive director or any Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.
- 23.8 Subject to the provisions of the Act, all cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine. The Company's banking accounts shall be kept with such banker or bankers as the Board shall from time to time determine.
- 23.9 Subject to Article 21.5 the Board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's moneys to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit under the Company or any of its subsidiary companies) and ex-employees of the Company and their dependants or any class or classes of such person.
- 23.10 Subject to Article 21.5 the Board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as mentioned in the last preceding paragraph. Any such pension or benefit

may, as the Board considers desirable, be granted to an employee either before and in anticipation of or upon or at any time after his actual retirement.

24 BORROWING POWERS

- 24.1 The Board may exercise all the powers of the Company to raise or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) of the Company and, subject to the Act, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- 24.2 Debentures, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- 24.3 Any debentures, bonds or other securities may be issued at a discount (other than shares), premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.

25 PROCEEDINGS OF THE DIRECTORS

- 25.1 The Board may meet at such times and in such manner and places within or outside the British Virgin Islands, but in no event within the United Kingdom, for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. Each Director shall have one vote on all matters presented to the Board. In the case of any equality of votes (except where only two Directors are present and form the quorum or when only two Directors are competent to vote on the matter at issue) the chairman of the meeting shall have an additional or casting vote.
- 25.2 A meeting of the Board may be convened by the Secretary on request of a Director or by any Director.
- 25.3 A Director shall be given reasonable notice of a meeting of the Board, which notice may be given in writing or by telephone or in such other manner as the Board may from time to time determine.
- 25.4 A meeting of the Board held without reasonable notice having been given to all Directors shall be valid if all the Directors entitled to vote at the meeting waive notice of the meeting, and for this purpose, the presence of a Director at the meeting shall be deemed to constitute waiver on his part (except where a Director attends a meeting for the express purpose of objecting to the transaction of business on the grounds that the meeting is not properly called).
- 25.5 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 any resolution passed or the proceedings at that meeting.
- 25.6 The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two. An alternate Director shall be counted in a quorum in the case of the absence of a Director for whom he is the alternate.

- 25.7 Directors may participate in any meeting of the Board by means of such telephone or other electronic means as permit all persons participating in the meeting to hear and communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.
- 25.8 Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of such Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.
- 25.9 The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in the Board provided that if the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles as the quorum, the continuing Directors or Director, notwithstanding that the number of Directors is below the number fixed by or in accordance with these Articles as the quorum or that there is only one continuing Director may, except in an emergency, act only for the purpose of increasing the number of Directors to such minimum number, or summoning a general meeting of the Company. If there be no Directors or Director able or willing to act, then any two Shareholders may summon a general meeting for the purpose of appointing Directors.
- 25.10 The Board may elect a chairman and one or more deputy chairmen of its meetings and determine the period for which they are respectively to hold such office. If no chairman or deputy chairman is elected, or if at any meeting neither the chairman nor any deputy chairman is present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
- 25.11 A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.
- 25.12 If the Company shall have only one Director, the provisions in these Articles for meetings of the Board shall not apply but such sole Director shall have full power to represent and act for the Company in all matters as are not by the Act or the Memorandum or these Articles required to be exercised by the Shareholders of the Company.
- 25.13 If the Company shall have only one Director, in lieu of minutes of a meeting the Director shall record in writing and sign a note or memorandum (or adopt a resolution in writing) concerning all matters requiring a resolution of Directors and such note, memorandum or resolution in writing shall be kept in the minute book. Such a note, memorandum or resolution in writing shall constitute sufficient evidence of such resolution for all purposes.
- 25.14 Subject to the Act, the Board may delegate any of its powers and authorities (including the power and authority to affix the Seal) and discretions to committees, consisting of such Director or Directors as it thinks fit, except that the Directors shall have no power to delegate the following powers to a committee of Directors:
- (a) to designate committees of Directors;
 - (b) to delegate powers to a committee of Directors;
 - (c) to appoint or remove Directors;

- (d) to appoint or remove an agent;
 - (e) to approve a plan or merger, consolidation or arrangement;
 - (f) to make a declaration of solvency for the purposes of section 198(1)(a) of the Act or approve a liquidation plan; or
 - (g) to make a determination under section 57(1) of the Act that the Company will, immediately after a proposed Distribution, satisfy the solvency test.
- 25.15 The Board may, from time to time, revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any directions which may be imposed on it by the Board.
- 25.16 All acts done by any such committee in conformity with such directions, and in fulfilment of the purposes for which it was appointed, but not otherwise, shall have like force and effect as if done by the Board, and the Board shall have power, with the consent of the Company in general meeting, to remunerate the members of any such committee, and charge such remuneration to the current expenses of the Company.
- 25.17 The meetings and proceedings of any committee consisting of two or more members shall be governed *mutatis mutandis* by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any directions imposed by the Board under Article 25.14.
- 25.18 A resolution in writing signed by the majority of Directors shall be as valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held provided that such number of Directors approving the resolution is sufficient to constitute a quorum and that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of Board meetings in the same manner as notices of meetings are required to be given by these Articles and further provided that no Director approving the resolution is aware of or has received any objection to the resolution from any Director. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or alternate Directors and for this purpose a facsimile signature of a Director or an alternate Director shall be treated as valid.
- 25.19 All acts done in good faith by the Board or by any committee or by any person acting as a Director or members of a committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office, 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 such committee.

26 MANAGERS

- 26.1 The Board may from time to time appoint a general manager, a manager or managers of the Company and may fix his or their remuneration either by way of salary or commission or by conferring the right to participation in the profits of the Company or by a combination of two

or more of these modes and pay the working expenses of any of the staff of the general manager, manager or managers who may be employed by him or them upon the business of the Company.

- 26.2 The appointment of such general manager, manager or managers may be for such period as the Board may decide, and the Board may confer upon him or them all or any of the powers of the Board as it may think fit.
- 26.3 The Board may enter into such agreement or agreements with any such general manager, manager or managers upon such terms and conditions in all respects as the Board may in their absolute discretion think fit, including a power for such general manager, manager or managers to appoint an assistant manager or managers or other employees whatsoever under them for the purpose of carrying on the business of the Company.

27 OFFICERS

- 27.1 The officers of the Company shall consist of the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Act and these Articles.
- 27.2 The Board shall, as soon as may be after each appointment or election of Directors, elect amongst the Directors a chairman and if more than one Director is proposed for this office, the election to such office shall take place in such manner as the Board may determine.
- 27.3 The officers shall receive such remuneration as the Board may from time to time determine.
- 27.4 The Secretary and additional officers, if any, shall be appointed by the Board and shall hold office on such terms and for such period as the Board may determine. If thought fit, two or more persons may be appointed as joint Secretaries. The Board may also appoint from time to time on such terms as it thinks fit one or more assistant or deputy Secretaries.
- 27.5 The Secretary shall attend all meetings of the Shareholders and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the Act or these Articles or as may be prescribed by the Board.
- 27.6 The chairman of the Board (if one is appointed) shall act as chairman at all meetings of the Shareholders and of the Directors at which he is present. In his absence or if he is not willing to act as chairman, a chairman shall be appointed or elected by those present at the meeting in accordance with these Articles.
- 27.7 The officers of the Company shall have such powers (including the power and authority to affix the Seal) and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time, except that no officer has any power or authority with respect to the following:
- (a) to change the Office or the registered agent of the Company;
 - (b) to designate committees of Directors;
 - (c) to delegate powers to a committee of Directors;

- (d) to appoint or remove Directors;
- (e) to appoint or remove an agent;
- (f) to fix remuneration of Directors;
- (g) to approve a plan of merger, consolidation or arrangement;
- (h) to make a declaration of solvency for the purposes of Section 198(1)(a) of the Act or to approve a liquidation plan;
- (i) to make a determination under Section 57(1) of the Act that the Company will, immediately after a proposed Distribution, satisfy the solvency test; or
- (j) to authorise the Company to continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands.

27.8 A provision of the Act or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary.

28 REGISTER OF DIRECTORS

The Company shall cause to be kept in one or more books at its Office or at the office of the Company's secretary as may be determined by the Directors a Register of Directors in which there shall be entered the full names and addresses of the Directors and officers and such other particulars as required by the Act or as the Directors may determine. The Company shall cause to be entered in the Register of Directors the particulars of any change that takes place in relation to such Directors and officers as required by the Act.

29 MINUTES

29.1 The Board shall cause minutes to be duly entered in books provided for the purpose or, *inter alia*:

- (a) all elections and appointments of officers;
- (b) the names of the Directors present at each meeting of the Board and of any committee appointed by the Board;
- (c) all resolutions and proceedings of each general meeting of the Shareholders and classes of Shareholders and meetings of the Board and meetings of committees of the Board and where there are managers, of all proceedings of meetings of the managers.

29.2 Minutes shall be kept by the Secretary at the Office or at the office of the Company's registered agent as the Board may decide.

30 SEAL

30.1 The Board shall provide for the custody of the Seal. The Seal, when affixed to any instrument shall be witnessed by one Director and the Secretary or by two Directors or by

such other person (including a Director) or persons as the Board may authorise, either generally or in any particular case, save that in relation to certificates for shares or debentures or other securities of the Company the Board may, by resolution, determine that such signatures or either of them or the affixing of the Seal may be dispensed with or affixed by some method or system of mechanical signature.

- 30.2 An imprint of all Seals of the Company shall be kept at the office of the Company's registered agent.

31 DESTRUCTION OF DOCUMENTS

Subject to the laws of the British Virgin Islands, the Company shall be entitled to destroy the following documents at the following times:

- (a) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
- (b) any Distribution mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two years from the date such mandate variation cancellation or notification was recorded by the Company;
- (c) any instrument of transfer of shares which has been registered at any time after the expiry of seven years from the date of registration;
- (d) any allotment letters after the expiry of seven years from the date of issue thereof;
- (e) copies of powers of attorney, grants of probate and letters of administration at any time after the expiry of seven years after the account to which the relevant power of attorney, grant of probate or letters of administration related has been closed; and
- (f) copies of all notices and other documents filed by the Company after the expiry of ten years;

and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to be made on the basis of any such documents so destroyed was duly and properly made and every share certificate so destroyed was a valid certificate duly and properly cancelled and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, provided always that:

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

32 DISTRIBUTIONS AND OTHER PAYMENTS

- 32.1 The Board may, subject to these Articles and in accordance with the Act, authorise a Distribution by the Company at such time and of such amount as they think fit.
- 32.2 A Distribution may be paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Board determines is no longer needed. No Distribution shall be authorised or made unless the Board is satisfied, on reasonable grounds, that immediately after the Distribution is made, the value of the Company's assets exceeds the value of its liabilities and the Company is able to pay its debts as they fall due. Distributions by way of dividend may be paid in money, shares or other property.
- 32.3 If the Company distributes to Shareholders (either generally or to specific classes of Shareholders) securities in any body corporate or trust (whether as a dividend or otherwise and whether or not for value), each such Shareholder appoints the Company as his agent to do anything needed to give effect to that distribution, including agreeing to become a member of that other body corporate.
- 32.4 The Board may from time to time make to the Shareholders such interim Distribution as appear to the Board to be justified by the profits of the Company and in particular (but without prejudice to the generality of the foregoing) if at any time the Company has in issue more than one class of shares, the Board may pay such interim Distributions in respect of those Shares which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to Distribution and provided that the Board acts *bona fide* the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim Distribution on any shares having deferred or non-preferential rights and may also pay any fixed Distribution which is payable on any Shares half-yearly or on any other dates, whenever such profits, in the opinion of the Board, justifies such payment.
- 32.5 The Board may deduct from any Distribution or other moneys payable to a Shareholder by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
- 32.6 No unpaid Distribution shall bear interest as against the Company.
- 32.7 Any Distribution, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

- 32.8 All Distributions or bonuses unclaimed for one year after having been authorised may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any Distributions or bonuses unclaimed after a period of six years from the date of authorisation shall be forfeited and shall revert to the Company. The payment by the Board of any unclaimed Distribution or other sums payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.
- 32.9 Whenever the Board has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe for securities of the Company or any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may issue certificates in respect of fractions of shares, disregard fractional entitlements or round the same up or down, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any Shareholder upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend, and such appointment shall be effective and binding on the Shareholders. The Board may resolve that no such assets shall be made available to Shareholders with registered addresses in any particular territory or territories where, in the absence of a registration statement or other special formalities, such distribution of assets would or might, in the opinion of the Board, be unlawful or impracticable and in such event the only entitlement of the Shareholders aforesaid shall be to receive cash payments as aforesaid. Shareholders affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Shareholder for any purpose whatsoever.
- 32.10 Whenever the Board has resolved that a dividend be paid or declared on any class of the Shares, the Board may further resolve either:
- (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the Shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof if the Board so determines) in cash in lieu of such allotment. In such case, the following provisions shall apply:
 - (i) the basis of any such allotment shall be determined by the Board;
 - (ii) the Board, after determining the basis of allotment, shall give not less than two weeks' Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
 - (iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and

- (iv) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised (“**the non-elected shares**”) and in satisfaction thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account, share premium account) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or
 - (b) that the Shareholders entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:
 - (i) the basis of any such allotment shall be determined by the Board;
 - (ii) the Board, after determining the basis of allotment, shall give not less than two weeks’ Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
 - (iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and
 - (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised (“**the elected shares**”) and in lieu thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account, share premium account) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the elected shares on such basis.
- 32.11 The shares allotted pursuant to the provisions of Article 32.10 shall rank *pari passu* in all respects with shares of the same class (if any) then in issue save only as regards participation in the relevant dividend or in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Board of their proposal to apply the provisions of sub-paragraph (a) or (b) of paragraph (2) of this Article in relation

to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (1) of this Article shall rank for participation in such distribution, bonus or rights.

- 32.12 The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of this Article, with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the Shareholders concerned). The Board may authorise any person to enter into on behalf of all Shareholders interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.
- 32.13 The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.
- 32.14 The Board may on any occasion determine that rights of election and the allotment of shares shall not be made available or made to any Shareholders with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of an offer of such rights of election or the allotment of shares would or might, in the opinion of the Board, be unlawful or impracticable, and in such event the provisions aforesaid shall be read and construed subject to such determination. Shareholders affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Shareholders for any purpose whatsoever.
- 32.15 Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable or distributable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares. The provisions of this Article shall *mutatis mutandis* apply to bonuses, capitalisation issues or offers or grants made by the Company to the Shareholders.

33 RESERVES

Before recommending any Distributions, the Board may set aside out of the profits of the Company such sums as it determines as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute.

34 ACCOUNTING RECORDS

34.1 The Company shall keep ~~record~~records and underlying documentation that are sufficient to show and explain the Company's transactions and that will, at any time, enable the financial position of the Company to be determined with reasonable accuracy.¶

34.2 The records required to be kept by the Company under the Act, the Mutual Legal Assistance (Tax Matters Act), 2003, the Memorandum or these Articles shall be kept in written form or either wholly or partly as electronic records complying with the requirements of the Electronic Transactions Act (British Virgin Islands). The records and underlying documentation shall be kept for a period of at least five years from the date of completion of the relevant transaction or the company terminates the business relationship to which the records and underlying documentation relate.

34.3 ~~34.2~~ The books of account and records shall be kept at the Office or, at such other place or places as the Board decides and, subject to the provisions of the Act, shall be open to inspection by the Directors. No Shareholder (other than a Director) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the Board or the Company in general meeting.

34.4 ~~34.3~~ If all the Shareholders, either in writing or at a general meeting, agree that:

- (a) in respect of a particular calendar year no annual general meeting need be held; or
- (b) in respect of a particular interval no financial statements or auditor's report thereon need be issued and laid before a general meeting or that no auditor shall be appointed to the close of the next annual general meeting,

then there shall be no obligation to hold an annual general meeting for that calendar year or issue and lay financial statements for such period or to appoint an auditor until the close of the next annual general meeting, as the case may be.

34.5 ~~34.4~~ Subject to Articles 34.3 and 34.5 a copy of the financial statements which is to be laid before a general meeting of the Company, made up to the end of the applicable financial year and including every document and all information as required by all applicable laws of the British Virgin Islands, rules and regulations ("Financial Statements"), together with a copy of the Auditor's report, shall be sent to each person entitled thereto (the "Entitled Persons") at least fourteen days before the date of the general meeting provided that this Article shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures.

34.6 ~~34.5~~ Subject to compliance with all applicable laws of the British Virgin Islands, rules and regulations and to obtaining necessary consents, if any, required thereunder, the Company may send to Entitled Persons summarised financial statements, derived from the Financial Statements for the relevant period, instead of the Financial Statements. The summarised financial statements shall be accompanied by the Auditor's report. Entitled Persons who receive the summarised financial statements may elect, by notice in writing to the Company, to receive the Financial Statements.

35 AUDIT

- 35.1 Subject to Article 34.3 at the annual general meeting or at a subsequent general meeting in each year, the Shareholders shall appoint an auditor to hold office until the close of the next annual general meeting, and if an appointment is not so made, the Auditor in office shall continue in office until a successor is appointed. Such auditor may be a Shareholder but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.
- 35.2 A person, other than a retiring Auditor, shall not be capable of being appointed Auditor at an annual general meeting unless notice in writing of an intention to nominate that person to the office of Auditor has been given not less than fourteen days before the annual general meeting and furthermore, the Company shall send a copy of any such notice to the retiring Auditor.
- 35.3 The Shareholders may, at any general meeting convened and held in accordance with these Articles, by special resolution remove the Auditor at any time before the expiration of his term of office and shall by Resolution of Members at that meeting appoint another Auditor in his stead for the remainder of his term.
- 35.4 Subject to these Articles, the financial statements of the Company shall be audited at least once in every year.
- 35.5 The remuneration of the Auditor shall be fixed by the Company at a general meeting or in such manner as the Shareholders may determine. In the case of an Auditor appointed by the Directors in accordance with these Articles, the remuneration of such Auditor may be fixed by the Directors.
- 35.6 If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Board may appoint an auditor to fill the vacancy. An Auditor appointed pursuant to this Article shall, subject to these Articles, hold office until close of the next annual general meeting.
- 35.7 The Auditor shall at all reasonable times have access to all books and records kept by the Company and to all documents, accounts and vouchers relating thereto; and he may call on the Directors or officers of the Company for any information in their possession and for explanations relating to the books or affairs of the Company as he thinks necessary for the performance of the duties of an auditor.
- 35.8 The financial statements of the Company shall be examined by the Auditor and compared by him with the books, accounts and vouchers relating thereto; and he shall make a written report thereon stating whether such financial statements are drawn up so as to present fairly the financial position of the Company and the results of its operations for the period under review and, in case information shall have been called for from Directors or officers of the Company, whether the same has been furnished and has been satisfactory. The financial statements of the Company shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the Auditor shall be submitted to the Shareholders in general meeting. The generally accepted auditing standards referred to

herein may be those of a country or jurisdiction other than the British Virgin Islands. If so, the financial statements and the report of the Auditor should disclose this fact and name such country or jurisdiction.

36 NOTICES

- 36.1 Any Notice from the Company to a Shareholder shall be given in writing or by cable, telex or facsimile transmission message and any such Notice and (where appropriate) any other document may be served or delivered by the Company on or to any Shareholder either personally or by sending it through the post in a prepaid envelope addressed to such Shareholder at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and *bona fide* believes at the relevant time will result in the Notice being duly received by the Shareholder or may also be served by advertisement in The Times and The Telegraph in the United Kingdom and through the Regulatory Information Service or by placing it on the Company's website. In the case of joint holders of a Share all notices shall be given to the joint holders whose name appears first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.
- 36.2 Any Notice or other document:
- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof; and
 - (b) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof.
- 36.3 Any Notice or other document delivered or sent by post to or left at the registered address of any Shareholder in pursuance of these Articles shall, notwithstanding that such Shareholder is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Shareholder as sole or joint holder unless his name shall, at the time of the service or delivery of the Notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such Notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

- 36.4 A Notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Shareholder by sending it through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the Notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.
- 36.5 Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which prior to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.

37 SIGNATURES

For the purposes of these Articles, a cable or telex or facsimile transmission message or electronic transmission message purporting to come from a holder of shares or, as the case may be, a Director or alternate Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director or alternate Director in the terms in which it is received.

38 INDEMNITY

- 38.1 Subject to Article 38.2 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 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:
- (a) is or was a Director, an officer or a liquidator of the Company; or
 - (b) is or was, at the request of the Company, serving as a director, officer or liquidator of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise.
- 38.2 Article 38.1 does not apply to a person unless he acted honestly and in good faith and in what he believed to be the best interests of the Company and, in the case of criminal proceedings, he had no reasonable cause to believe that his conduct was unlawful.
- 38.3 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.
- 38.4 If a person referred to in this Article 38.4 has been successful in defence of any proceedings referred to therein, the person is entitled to be indemnified against all expenses, including

legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred by the person in connection with the proceedings. Expenses, including legal fees, incurred by a Director or a former Director in defending any legal, administrative or investigative proceedings may be paid by the Company in advance of the final disposition of such proceedings upon receipt of an undertaking by or on behalf of the Director or the former Director, as the case may be, to repay the amount if it shall ultimately be determined that the Director or the former Director, as the case may be, is not entitled to be indemnified by the Company. In the case of a former Director, the undertaking to be furnished by such former Director may also include such other terms and conditions as the Company deems appropriate.

- 38.5 The Company may purchase and maintain insurance in relation to any person who is or was a Director, an officer or a liquidator of the Company, or who at the request of the Company is or was serving as a director, an officer or a liquidator of, or in any other capacity is or was acting for, another body corporate 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 under Article 38.1.

39 INFORMATION

No Shareholder shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interests of the members of the Company to communicate to the public.

40 DISPOSITION OF ASSETS

Section 175 of the Act does not apply to these Articles.¶

41 MEMBERS' DISSENT RIGHTS

In addition to the dissent rights provided under section 179 of the Act, a member is entitled to dissent (in the manner provided for in section 179(2) of the Act) and be paid fair value for his shares if the Company purports to resolve to:

- a. amend its Memorandum or Articles to add, remove or change restrictions on the issue, transfer or ownership of Shares of a class or series of the Shares of the Company;
- b. amend its Memorandum or Articles to add, remove or change any restriction upon the business or businesses that the Company may carry on or upon the powers that the Company may exercise;
- c. be continued under the laws of another jurisdiction; or
- d. sell, lease or exchange all or substantially all its property other than in the ordinary course of business of the Company.

The provisions of section 179 of the Act shall apply *mutatis mutandis* to the dissent rights contained in this Article.

42 SIGNIFICANT MEMBER DISCLOSURES

- 42.1 Each Shareholder shall be under an obligation to make certain notifications in accordance with the provisions of this Article 42².
- 42.2 If at any time the Company shall have a class of share admitted to trading on AIM, the provisions of Chapter 5 of the Disclosure and Transparency Rules (as amended from time to time) (“DTR5”) of the UK Financial Services Authority Handbook (the “Handbook”) shall be deemed to be incorporated by reference into these Articles and accordingly the vote holder and issuer notification rules set out in DTR5 shall apply to the Company and each Shareholder².
- 42.3 For the purposes of the incorporation by reference of DTR5 into these Articles and the application of DTR5 to the Company and each Shareholder, the Company shall (for the purposes of this Article 42 only) be deemed to be an “issuer”, as such term is defined in DTR5 (and not, for the avoidance of doubt, a “non-UK issuer”, as such term is defined in DTR5)².
- 42.4 For the purposes of this Article 42 only, defined terms in DTR5 shall bear the meaning set out in DTR5, and if the meaning of a defined term is not set out in DTR5, the defined term shall bear the meaning set out in the glossary to the Handbook (in such case, read as the definition applicable to DTR5)².
- 42.5 If at any time the Company shall have a class of share admitted to trading on AIM, the provisions of Section 793 of the Companies Act 2006 of England and Wales (the “Companies Act Provisions”), as may be amended from time to time and any successor act thereto, which provisions are incorporated by reference in these Articles and available to the Shareholders from the Secretary of the Company at no charge, shall apply to such listed class of share capital, provided that for the purposes of this Article 42², the following terms shall have the meanings set forth below:
- (a) “public company” shall mean this Company; and
 - (b) “company's shares” shall mean the shares of the Company’s share capital admitted to trading on AIM.
- 42.6 If the Company determines that a Shareholder (a “Defaulting Holder”) has not complied with the provisions of DTR5 as set forth above or any person on whom the Company has served a notice pursuant to Article 42.5 above has not provided in accordance therewith the information so required, in each case, with respect to some or all of the shares held by such Shareholder (“Default Shares”), the Company shall have the right by delivery of notice to the Defaulting Holder (a “Default Notice”) to:
- (a) suspend the right of such Defaulting Holder to vote the Default Shares in person or by proxy at any meeting of the Company. Such a suspension shall have effect from the date on which the Default Notice is delivered by the Company to the Defaulting Holder until a date that is not more than seven (7) days after the Company has

determined in its sole discretion that the Defaulting Holder has cured the non-compliance with the provisions of DTR5; provided, however, that the Company may at any time by subsequent written notice cancel or suspend the operation of a Default Notice; and

- (b) to (i) withhold, without any obligation to pay interest thereon, any dividend or other amount payable with respect to the Default Shares with such amount to be payable only after the Default Notice ceases to have effect with respect to the Default Shares, (ii) render ineffective any election to receive shares of the Company instead of cash in respect of any dividend or part thereof, or (iii) prohibit the transfer of any shares of the Company held by the Defaulting Holder except with the consent of the Company or if the Defaulting Holder can provide satisfactory evidence to the Company to the effect that, after due inquiry, such Shareholder has determined that the shares to be transferred are not Default Shares.

We, JORDANS (CARIBBEAN) LIMITED, registered agent of the Company, of Geneva Place, Waterfront Drive, PO Box 3469, Road Town, Tortola, British Virgin Islands VG1110 for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign these Articles of Association on 5 January, 2007:

Incorporator



Amy Roost
Authorised Signatory
Jordans (Caribbean) Limited

1

Document comparison by Workshare Compare on 21 June 2016 20:43:43

Input:	
Document 1 ID	file://C:\Users\SADDIS\Desktop\Current Articles.doc
Description	Current Articles
Document 2 ID	file://C:\Users\SADDIS\Desktop\XEL Amended MAs 2016.DOC
Description	XEL Amended MAs 2016
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Legend:	
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Padding cell	

Statistics:	
	Count
Insertions	87
Deletions	71
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	158

SCHEDULE 2

VOTING FORM

ISIN NO: 0010713779 – 12.00 per cent. Xcite Energy Resources Limited Senior Secured Callable Bond Issue 2014/2016

The undersigned holder or authorised person/entity, votes in the following manner:

1. The Proposed Resolution as defined in the notice for written resolution dated 04 May 2016

☐ **In favour** of the Proposed Resolution

☐ **Against** the Proposed Resolution

ISIN ISIN NO 0010713779	Amount of bonds owned
Custodian name	Account number at Custodian
Company	Day time telephone number
	Email

Enclosed to this form is the complete printout from our custodian/VPS,¹ verifying our bondholding in the bond issue as of _____

We acknowledge that Nordic Trustee ASA in relation to the written Bondholders' resolution for verification purposes may obtain information regarding our holding of bonds on the above stated account in the securities register VPS.

.....
Place, date

.....
Authorised signature

Return:

Nordic Trustee ASA
P.O.Box 1470 Vika
N-0116 Oslo

Telefax: +47 22 87 94 10
Tel: +47 22 87 94 00
mailto: mail@nordictrustee.no

¹ If the bonds are held in custody other than in the VPS, an evidence provided from the custodian – confirming that (i) you are the owner of the bonds, (ii) in which account number the bonds are hold, and (iii) the amount of bonds owned.