

THE COMPANIES (GUERNSEY) LAW, 2008, AS AMENDED

NON-CELLULAR COMPANY LIMITED BY SHARES

MEMORANDUM

and

ARTICLES OF INCORPORATION

of

AVNEL GOLD MINING LIMITED

Registered this 18th day of February 2005
(As amended and restated by special resolution dated May 25 2017)

THE COMPANIES (GUERNSEY) LAW, 2008, AS AMENDED

NON-CELLULAR COMPANY LIMITED BY SHARES

MEMORANDUM OF INCORPORATION

of

AVNEL GOLD MINING LIMITED
(the "Company")

1. The Company's name is "**AVNEL GOLD MINING LIMITED**".
2. The Company's registered office will be situated in Guernsey.
3. The Company is a non-cellular company within the meaning of section 2(1)(c) of the Companies (Guernsey) Law, 2008 (as amended) (the "**Companies Law**").
4. The Company is limited by shares within the meaning of section 2(2)(a)(i) of the Companies Law.
5. The liability of the members is limited to the amount for the time being remaining unpaid on the shares held by each of them respectively.
6. The Company shall have power by special resolution to make provision in this memorandum of incorporation for any matter mentioned in section 15(7) of the Companies Law.
7. The Company shall have power by special resolution to alter any provision in this memorandum of incorporation for any matter mentioned in section 15(7) of the Companies Law.

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THE COMPANIES (GUERNSEY) LAW, 2008

NON-CELLULAR COMPANY LIMITED BY SHARES

ARTICLES OF INCORPORATION

of

AVNEL GOLD MINING LIMITED
(the "Company")

1. DEFINITIONS

In these Articles, if not inconsistent with the subject or context, the following words have the following meanings:

Applicable Law	All rules, laws and regulations to which the Company may, from time to time, be subject including, without limiting the generality of the foregoing, the Companies Law, applicable securities regulations, regulatory and stock exchange rules.
Appointee	The meaning given to it in Article 22.4.
These Articles	The articles of incorporation of the Company in their present form or as from time to time altered.
Business Day	A day which is not a Saturday, a Sunday, or a day on which banks are closed for business in Guernsey, Toronto, Ontario or London, England.
CEO	The chief executive officer of the Company appointed pursuant to Article 26.
Clear Days	In relation to a period of notice, shall mean that period excluding the day when the notice is served or deemed to be served and the day for which it is given or on which it is to take effect.
Companies Law	The Companies (Guernsey) Law, 2008.
the Court	The Royal Court of Guernsey sitting as an Ordinary Court.
Department	The meaning given to it in Article 3.
Distribution	The meaning ascribed to it by Section 301 of the Companies Law.
Dividend	The meaning ascribed to it by Section 302 of the

	Companies Law.
a Director	A director of the Company for the time being.
the Directors	The directors of the Company who number not less than the quorum required by these Articles, or, as the case may be, the directors assembled as a board or a committee of the board, or, if the Company only has one director, that director.
Electronic Means	Shall have the meaning ascribed to it by the Companies Law.
Eligible Members	The Members entitled to vote on the circulation date of a Written Resolution.
Extraordinary Resolution	A resolution of the Company passed as an extraordinary resolution by a majority of not less than two-thirds of the votes of the Members entitled to vote and voting in person or by attorney or by proxy at a meeting.
Managing Director	The managing director of the Company, if any, appointed pursuant to Article 26.
Member	In relation to shares means the person whose name is entered in the Register as the holder of the shares.
Memorandum	The memorandum of incorporation of the Company for the time being current.
month	A calendar month.
Office	The registered office for the time being of the Company.
Officer	Any chief executive officer, vice-president, secretary, or treasurer as appointed by the Directors from time to time or any other person holding an executive or managerial position in the Company as indicated by the Directors to be an Officer for these purposes.
Ordinary Resolution	A resolution of the Company passed as an ordinary resolution in accordance with the Companies Law by a simple majority of the votes of the Members entitled to vote and voting in person or by attorney or by proxy at a meeting.
present or present in person	In relation to general meetings of the Company and to meetings of the holders of any class of shares, includes present by attorney or by proxy or, in the case of a

	corporate Member, by representative.
Prohibited Resolution	A resolution in the context of a Requisition Request which would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Memorandum or these Articles or otherwise), be defamatory of any person, or be frivolous or vexatious.
Register	The register of Members of the Company to be kept pursuant to the Companies Law.
Registrar	Shall mean the Registrar of Companies.
Relevant Electronic Address	Shall have the meaning ascribed to it by the Companies Law.
Requisition Request	A request for the holding of a general meeting of the Company stating the general nature of the business to be dealt with at the meeting which may include the text of a resolution intended to be moved at that general meeting, provided it is not a Prohibited Resolution.
Resident Agent	The resident agent of the Company, if any, as defined by, and as appointed in accordance with the Companies Law.
Seal	Shall have the meaning given to it in Article 29.
Secretary	Any person appointed to perform any of the duties of secretary of the Company (including an assistant or deputy secretary) and in the event of two or more persons being appointed as joint secretaries any one or more of the persons so appointed.
Special Resolution	A resolution of the Members passed as a special resolution in accordance with the Companies Law by a majority of not less than seventy five per cent. of the votes of the Members entitled to vote and voting in person or by attorney or by proxy at a meeting.
Transferee Company	Shall have the meaning given to it in Article 35.4.
Unanimous Resolution	A resolution of the Members passed as a unanimous resolution in accordance with the Companies Law by every Member entitled to vote and voting in person or by proxy at a meeting or by all the Eligible Members by Written Resolution.
Waiver Resolution	A resolution of the Members passed as a waiver

resolution in accordance with the Companies Law by a majority of not less than ninety per cent. of the votes of the Members entitled to vote and voting in person or by attorney or by proxy at a meeting or by not less than ninety per cent. of the total voting rights of Eligible Members by Written Resolution.

Written Resolution

A resolution of the Members in writing passed as a written resolution in accordance with the Companies Law.

2. INTERPRETATION

- 2.1 In these Articles, unless the context or law otherwise requires references to legislation:
- 2.1.1 include any subordinate legislation (including regulations and orders) made under that legislation, whether before or after the date of these Articles; and
 - 2.1.2 include a reference to such legislation as from time to time amended or re-enacted and, where such legislation has re-enacted or replaced any other legislation, such other legislation,
- and references to re-enactment include by way of consolidation or re-writing (whether with or without modification).
- 2.2 **share** includes a fraction of a share and save where these Articles otherwise provide, a fraction of a share shall rank *pari passu* and proportionately with a whole share of the same class.
- 2.3 **in writing** and **written** includes the reproduction of words and figures in any visible form including in electronic form.
- 2.4 Words importing the singular number only shall include the plural number and *vice versa*.
- 2.5 Words importing a particular gender only shall include any other gender.
- 2.6 Words importing persons shall include associations and bodies of persons, whether corporate or unincorporated.
- 2.7 References to **Dollars, \$** and to **cents** are, unless otherwise stated, references to the lawful currency of the United States of America.
- 2.8 Subject to the preceding paragraphs of this Article and Article 1, any words defined in the Companies Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

2.9 The headings are inserted for convenience only and shall not affect the interpretation of these Articles.

2.10 Where for the purposes of these Articles or for any other purpose any amount in one currency is required to be translated into another currency the Directors may effect such translation using such rate of exchange as in their absolute discretion they think appropriate except where otherwise in these Articles specifically provided.

3. STANDARD ARTICLES NOT TO APPLY

The standard articles of incorporation prescribed by the States of Guernsey Commerce and Employment Department (the "**Department**") pursuant to section 16(2) of the Companies Law do not apply to the Company.

4. POWER OF THE DIRECTORS TO ISSUE SHARES

4.1 The capital of the Company is an unlimited number of ordinary shares of no par value.

4.2 The Directors may:

4.2.1 exercise the power of the Company for an unlimited duration to issue an unlimited number of shares of any existing class of share then in issue or grant rights to subscribe for, or convert any security into shares of any existing class of share then in issue;

4.2.2 with the sanction of an Extraordinary Resolution, issue shares of different types or shares of different classes to those classes of share then in issue including but not limited to shares which:

- (a) are redeemable shares;
- (b) confer preferential rights to distribution of capital or income;
- (c) do not entitle the holder to voting rights;
- (d) entitle the holder to restricted voting rights;

and the creation or issuance of any such shares or any additional shares ranking equally with an existing type or class of share is deemed not to vary the rights of any existing Member;

4.2.3 subject to Article 6, convert all or any classes of the Company's shares into redeemable shares;

4.2.4 issue shares which have a nominal or par value;

4.2.5 issue shares of no par value;

- 4.2.6 issue any number of shares they see fit;
- 4.2.7 make arrangements on the issue of shares to distinguish between Members as to the amounts and times of payments of calls on their shares;
- 4.2.8 issue shares that provide for the payment of Dividends and Distributions in differing proportions in accordance with the terms of issue of such shares; and
- 4.2.9 pay commissions in such manner and in such amounts as the Directors may determine.
- 4.3 All shares shall be issued only as fully paid and all monies payable in respect of any share (including without limitation the subscription and redemption monies in respect thereof) shall be paid in Dollars or in such other currency or currencies as the Directors may determine either generally or in any specific case as appropriate.
- 4.4 The Directors may in their absolute discretion refuse to accept any application for shares or accept any application in whole or in part.
- 4.5 The Company may issue fractions of shares in accordance with and subject to the Companies Law, provided that:
 - 4.5.1 a fraction of a share shall be taken into account in determining the entitlement of a Member as regards dividends or on a winding up; and
 - 4.5.2 a fraction of a share shall not entitle a Member to a vote in respect thereof.
- 4.6 Subject to the Companies Law, any preference shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue of the shares may by Ordinary Resolution determine.
- 4.7 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
- 4.8 A Member shall not be liable for any liability, act or default of the Company. Upon payment in full of the subscription monies, a Member shall not be liable to make any further payment and no further liability can be imposed on him in respect of the shares which he holds, save in the following circumstances:
 - 4.8.1 a Member shall be liable to repay distributions made to him pursuant to an improper reduction of share capital; and
 - 4.8.2 a Member shall be liable to repay any distributions made to him improperly on dissolution of the Company.

- 4.9 The Company may exercise the powers of paying commissions conferred by the Companies Law provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Companies Law and the rate of commission shall not exceed the rate of 10 per cent. of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10 per cent. of such price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
- 4.10 The Company shall have power, subject to and in accordance with the Companies Law, to purchase any of its own shares, whether or not they are redeemable and may make a payment out of capital in respect of such purchase except where (i) the Company is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realizable value of the Company's assets would after the payment be less than the aggregate of its liabilities and stated capital of all classes. Any shares so acquired by the Company may be cancelled or held as treasury shares in accordance with the requirements of the Companies Law.
- 4.11 Subject to the Companies Law, the Company may give financial assistance directly or indirectly for the purpose of, or in connection with, the acquisition made or to be made by any person of any shares in the Company or its holding company (if any).
- 4.12 A Member shall be liable to repay distributions made to him pursuant to an improper reduction of share capital.
- 4.13 A Member shall be liable to repay any distributions made to him on dissolution of the Company where the Company is found liable in a civil, criminal or administrative proceeding within two years of the dissolution.

5. COMPANY NOT OBLIGED TO RECOGNISE ANY TRUST

- 5.1 Except as required by Applicable 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 be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
- 5.2 Notwithstanding the foregoing, nothing shall prevent persons holding a beneficial interest in shares through the nominee of a depository or an intermediary from attending, voting at, or receiving materials prepared in connection with a meeting of the Company in accordance with Applicable Laws.

6. VARIATION OF CLASS RIGHTS

- 6.1 All or any of the rights, privileges, or conditions for the time being attached to any class or group of shares may only be varied:
- 6.1.1 by a written agreement between the Company and any person purporting to contract on behalf of the holders of shares of the class or group affected, provided that such agreement is ratified in writing by the holders of at least two-thirds in value of the issued shares of that class (excluding any treasury shares); or
 - 6.1.2 with the sanction of a Special Resolution passed at a separate general meeting of the shareholders of that class sanctioning the variation. To any such meeting all the provisions of these Articles shall *mutatis mutandis* apply, but so that:
 - (a) the necessary quorum shall be at least two Members of the class or group affected present holding at least one-third of the voting rights of the class or group affected (save where such class or group has only one Member in which case the necessary quorum shall be one Member), for an adjourned meeting, one Member present holding shares of the class in question and where the class has only one Member, the quorum shall be that Member;
 - (b) where a Member is present by proxy, he is treated as holding only the shares in respect of which the proxies are authorised to exercise voting rights; and
 - (c) any Member holding shares of the class in question present may demand a poll.

7. TRANSFER OF SHARES

- 7.1 Any Member may transfer all or any of his shares by instrument in writing in the usual or common form or in any other form which the Directors may approve. The instrument of transfer shall be executed by the transferor (and in the case of partly paid shares by the transferee) and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. Shares of different classes shall not be transferred by the same instrument of transfer.
- 7.2 Every instrument of transfer shall be left at the Office, or such other place as the Directors may prescribe, with the certificate of every share to be thereby transferred (if any) and such other evidence as the Directors may reasonably require to prove the title of the transferor or his right to transfer the shares; and the transfer and certificate (if any) shall remain in the custody of the Directors but shall be at all reasonable times produced at the request and expense of the transferor or transferee and their respective representatives or any of them. A new certificate (where one was previously issued) shall be delivered to the transferee after the transfer is completed and registered on his application for the same and when necessary a balance certificate shall be delivered to the transferor if required by him in writing.

- 7.3 The Company shall not refuse to register a transfer of any share to any person if the transfer is rightful or is to a bona fide purchaser and the provisions of these Articles have been complied with in respect of such transfer.
- 7.4 These Articles are subject to, and do not limit or restrict the Company's powers to transfer shares in accordance with, the Uncertificated Securities (Enabling Provisions) (Guernsey) Law, 2005.

8. THE REGISTER

- 8.1 The Company shall keep a Register in accordance with the Companies Law. The registration of transfers of shares may be suspended at such times and for such a period (not exceeding in aggregate thirty days in any calendar year) as the Directors may determine.
- 8.2 The Directors may from time to time appoint one or more agents to maintain, in respect of each class of shares of the Company issued by it, a central Register and one or more branch Registers. Such a person may be designated as transfer agent or registrar according to the functions of such person and one person may be designated both registrar and transfer agent subject to any applicable stock exchange requirements. The Directors may at any time terminate such appointment.
- 8.3 In the case of the death of a Member, the survivor or survivors where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole holder, shall be the only person or persons recognised by the Company as having any title to or interest in his shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him.
- 8.4 A person entitled to shares in consequence of the death or bankruptcy of a Member shall not be entitled to receive notice of or attend or vote at any meeting, or, save as aforesaid and save as regards the receipt of such Dividends or Distributions as the Directors shall not elect to retain, to exercise any of the rights and privileges of a Member, unless and until he shall have been registered as the holder of the shares.

9. CERTIFICATES

- 9.1 If the Company elects to issue share certificates, every Member shall be entitled to receive within two months after issue or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or if the Member shall so request several certificates each for one or more of his shares.
- 9.2 Every certificate shall be signed, either manually or in facsimiles, shall specify the shares to which it relates, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders. Any such certificate shall be signed by any one Director or Officer of the Company and need not be under

Company Seal (as defined below). Notwithstanding the foregoing, unless the Directors otherwise determine, certificates representing shares in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the Directors or Officers or, in the case of a certificate which is not valid unless countersigned by or on behalf of a transfer agent and/or registrar and in the case of a certificate which does not require a manual signature under the Companies Law, the signatures of any two Directors or Officers may be printed or otherwise mechanically reproduced in facsimile thereon. Every such facsimile signature shall for all purposes be deemed to be the signature of the Director or Officer whose signature it reproduces and shall be binding upon the Company. A certificate executed as aforesaid shall be valid notwithstanding that one or both of the Directors or Officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

- 9.3 If a share certificate is defaced, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the matter and generally upon such terms as the Directors shall think fit.

10. ALTERATION OF CAPITAL

- 10.1 The Company may by Extraordinary Resolution:

- 10.1.1 consolidate and divide all or any of its shares into shares of larger amounts than its existing shares;
- 10.1.2 sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum or Articles or Ordinary Resolution, such that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- 10.1.3 cancel any shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its shares by the amount of the shares so cancelled;
- 10.1.4 redesignate the whole, or any particular class, of its shares into shares of another class;
- 10.1.5 convert all or any of its shares the nominal amount of which is expressed in a particular currency or former currency into shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than three significant figures) current on the date of the resolution or on such other date as may be specified therein; and
- 10.1.6 where its shares are expressed in a particular currency or former currency, denominate or redenominate it, whether expressing its amount in units or subdivisions of that

currency or former currency, or otherwise.

11. GENERAL MEETINGS

- 11.1 Unless otherwise required or permitted by Applicable Law, an annual general meeting shall be held once in every calendar year (provided that no more than fifteen months may elapse between one annual general meeting and the next) at such time and place as the Directors shall appoint, and in default of an annual general meeting any Member may, not less than 14 days after the last date upon which the meeting ought to have been held, apply to the Court to make such order as the Court thinks fit.
- 11.2 Meetings other than annual general meetings shall be called general meetings.
- 11.3 The Directors may whenever they think fit convene a general meeting.
- 11.4 The Directors are required to call a general meeting in accordance with the Companies Law once the Company has received Requisition Requests to do so from Members who hold more than five per cent. of such of the capital of the Company that carries the right of voting at general meetings of the Company (excluding any capital held as treasury shares).
- 11.5 Subject to the provisions of the Companies Law, the Directors shall not be required to call a general meeting requisitioned by a Member pursuant to Article 11.4 where:
 - 11.5.1 a record date has been fixed and notice has been provided to Members in accordance with these Articles; and
 - 11.5.2 (i) it clearly appears that the business stated in the Requisition Request is primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the Company, the Directors, Officers, or security holders of the Company, (ii) the business in the Requisition Request does not relate in any significant way to the business or affairs of the Company, (iii) the proposing Member made a Requisition Request within the last two years, then failed to show up, in person or by proxy, to speak to it at the meeting, (iv) substantially the same business stated in the Requisition Request was submitted within the last five years to a meeting of Members and the prescribed level of support of three (3) per cent. of total shares voted at the most recent annual meeting at which the business is presented was not obtained; or (v) the right to make the requisition is being abused to secure publicity.
- 11.6 Where the Directors are required to call a general meeting in accordance with Article 11.4 they must call a general meeting within twenty one days after the date on which they became subject to the requirement and must hold the general meeting on a date not more than twenty eight days after the date of the notice convening the meeting or such later date as permits the Company to meet its obligations under Applicable Law.

- 11.7 Any general meeting may be held in Guernsey, or elsewhere, as the Directors may from time to time determine.
- 11.8 The provisions of this Article 11 are without prejudice to the rights of Members under the Companies Law to rescind the waiver of the requirement to hold an annual general meeting and without prejudice to any powers of the directors to convene a general meeting without a Member's requisition.

12. NOTICE OF GENERAL MEETINGS

- 12.1 Unless special notice is required in accordance with Applicable Law, all general meetings shall be called by a maximum of sixty and a minimum of twenty-one days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given. The notice shall specify the place, the date and the time of the meeting, and in the case of any proposed Special Resolution, Waiver Resolution or Unanimous Resolution, the text of such proposed resolution and notice of the fact that the resolution proposed is proposed as a Special Resolution, Waiver Resolution or Unanimous Resolution (as applicable), the general nature of the business to be dealt with at the meeting and any other information required by Applicable Law and shall be given to such persons as are, by these Articles or Applicable Law, entitled to receive such notices from the Company, provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed by all the Members entitled to attend and vote thereat.
- 12.2 The accidental failure to provide notice of a meeting, or to send any other document to a person entitled to receive such notice or document, shall not invalidate the proceedings at that meeting or call into question the validity of any actions, resolutions or decisions taken.
- 12.3 All Members are deemed to have agreed to accept communications from the Company by Electronic Means in accordance with Article 34.
- 12.4 A Member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company, is deemed to have received notice of the meeting and, where required, of the purpose for which it was called.
- 12.5 Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the Register, has been duly given to a person from whom he derives his title.

13. ELECTION AND POWERS OF CHAIRMAN

- 13.1 The chairman of any general meeting shall be either:
- 13.1.1 the chairman of the Directors;

- 13.1.2 in the absence of the chairman or if the Directors have no chairman, then the Directors shall nominate one of their number to preside as chairman;
 - 13.1.3 if neither the chairman of the Directors nor the nominated Director are present at the meeting, then the Directors present at the meeting shall elect one of their number to be the chairman;
 - 13.1.4 if only one Director is present at the meeting then he shall be chairman of the general meeting; or
 - 13.1.5 if no Directors are present at the meeting, then the Members present shall elect a chairman for the meeting by an Ordinary Resolution.
- 13.2 The chairman of the general meeting shall conduct the meeting in such a manner as he thinks fit and may adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. In addition, the chairman may limit the time for Members to speak.

14. RIGHT OF DIRECTORS TO SPEAK

A Director of the Company shall be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company, regardless of whether that Director is a Member of the Company or of the relevant class.

15. PROCEEDINGS AT GENERAL MEETINGS

- 15.1 All business shall be deemed special that is transacted at a general meeting. All business that is transacted at an annual general meeting shall likewise be deemed special, with the exception of declaring a Dividend or Distribution, the consideration of the accounts, balance sheets, and the reports of the Directors and auditors, the election of Directors and the appointment of and the fixing of the remuneration of the auditors.
- 15.2 No business shall be transacted at any general meeting unless a quorum is present. One Member present in person or by proxy and entitled to vote shall be a quorum. Where the Company has only one Member the quorum shall be one Member present at the meeting in person or by proxy.
- 15.3 If within half an hour after the time appointed for a meeting a quorum is not present, the meeting, if convened by or upon the requisition of Members as hereinbefore provided, shall be dissolved. If otherwise convened, it shall stand adjourned to the same day in the next week (or if that day be a public holiday in Guernsey to the next working day thereafter) at the same time and place and no notice of such adjournment need be given. At any such adjourned meeting, those Members who are present in person or by proxy shall be a quorum. If no Members are

present at the adjourned meeting, the meeting shall be dissolved.

- 15.4 The chairman, with the consent of any meeting at which a quorum is present may (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for fourteen days or more, seven Clear Days' notice at the least specifying the place, the date and the time of the adjourned meeting shall be given as in the case of the original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting.
- 15.5 Every question submitted to a general meeting shall be determined in the first instance by a show of hands of the Members present in person or by proxy or by attorney and entitled to vote, but a poll may:
- 15.5.1 be conducted in the sole discretion of the chairman, as is necessary or desirable to determine a requisite majority as may be required under Applicable Law or otherwise;
- 15.5.2 be demanded by no fewer than five Members having the right to vote on the resolution; or
- 15.5.3 be demanded by one or more of the Members present in person or by proxy representing at least ten per cent. of the total voting rights of all of the Members having the right to vote on the resolution.
- 15.6 Unless a poll is duly demanded in accordance with these Articles, a declaration by the chairman that a resolution has been carried or lost or has or has not been carried by any particular majority and an entry to that effect in the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number, proportion or validity of the votes recorded in favour of or against such resolution.
- 15.7 If a poll is demanded, it shall be taken at the meeting at which the same is demanded or at such other time and place as the chairman shall direct, and the result of such poll shall be deemed the resolution of the meeting. The demand for a poll may be withdrawn.
- 15.8 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
- 15.9 If a poll shall be duly demanded upon the election of a chairman or on any question of adjournment, it shall be taken at once.
- 15.10 In case of an equality of votes, either on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is taken, as the case may be, shall have a second vote if he is a Member and a casting vote if he is not a Member.

16. RIGHT TO MAKE A MEMBER PROPOSAL

16.1 Members have a right to add items to the agenda set by the Directors in respect of a general meeting, including the amendment of the Memorandum of Incorporation and these Articles. Any Member entitled to vote at a meeting may submit to the Company a proposal, subject to the limitations described below. If the Company is required by Applicable Law to send out a management proxy circular to its Members, the Member proposal must be included in such circular, along with a supporting statement from the proposing Member. The proposal may include nominations for the election of Directors only if the proposal is signed by the holders of not less than five (5) per cent. of the shares entitled to vote.

16.2 To be eligible to submit any proposal, on any matter, a Member or group of Members must:

16.2.1 hold voting shares equal to at least one (1) per cent. of the total of voting shares outstanding at the date the proposal is submitted and worth at least \$1,000 at the close of business on the day before it is submitted; and

16.2.2 have held the shares for at least six months prior to the date of submitting the proposal.

The Company shall be entitled to require proof from the Member that these requirements are met.

16.3 Notwithstanding the foregoing, a beneficial holder of shares who is not the registered owner is also entitled submit a proposal.

16.4 The Company shall not be required to circulate a Member proposal if:

16.4.1 the proposal is not submitted to the Company at least ninety days before the anniversary date of the notice of the last annual meeting;

16.4.2 it clearly appears that the proposal is primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the Company, the Directors, Officers, or security holders of the Company;

16.4.3 does not relate in any significant way to the business or affairs of the Company;

16.4.4 the proposing Member made a proposal within the last two years, then failed to show up, in person or by proxy, to speak to it at the meeting;

16.4.5 substantially the same proposal was submitted within the last five years to a meeting of Members and the prescribed level of support of three (3) per cent. of total shares voted at the first annual meeting at which the proposal is presented was not obtained; or

16.4.6 the right to make a proposal is being abused to secure publicity.

17. VOTES OF MEMBERS

- 17.1 Subject to any rights or restrictions attached to any shares, on a show of hands, every Member present in person or by proxy and entitled to vote shall have one vote, and on a poll every Member present in person or by proxy shall have one vote for each share held by him, but this provision shall be subject to the conditions with respect to any special voting powers or restrictions for the time being attached to any shares which may be subject to special conditions.
- 17.2 Where there are joint registered holders of any share any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; and if more than one of such joint holders be present at any meeting personally or by proxy that one of the said persons so present in person or by proxy whose name stands first in the Register in respect of such share shall alone be entitled to vote in respect thereof.
- 17.3 Any Member being under any legal disability may vote by his guardian or other legal representative. Any one of such persons may vote either personally or by proxy or by attorney.
- 17.4 Upon a poll votes may be given personally or by proxy or by attorney and it shall not be necessary for a proxy or attorney to be entitled to attend the meeting in his own right. Deposit of an instrument of proxy shall not preclude a Member from attending and voting at the meeting or any adjournment thereof.
- 17.5 Subject to the provisions of Applicable Law, the instrument appointing a proxy shall be in any common form or in such other form as the Directors may approve and whether sent to the Company in writing or in electronic form it shall be made under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation under its common seal or under the hand of an officer or attorney duly authorised in that behalf.
- 17.6 Every instrument of proxy whether for a specified meeting or otherwise, shall, as nearly as the circumstances will admit, be in the form provided by the management of the Company or to the effect following:

I, [] of []
being a Member of AVNEL GOLD MINING LIMITED
hereby appoint []
of []
or failing him []
of []
as my proxy to vote for me and on my behalf on the taking of a poll at the ordinary or
extraordinary (as the case may be) general meeting of the Company to be held on the
[] day of [] and any adjournment thereof.
As witness my hand this [] day of [].

and shall otherwise comply in all respects with Applicable Law.

17.7 The appointment of a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of such authority certified notarially or in some other way approved by the Directors, shall:

17.7.1 in the case of an instrument in writing (including, whether or not the appointment of proxy is by Electronic Means, any such power of attorney or other authority) be deposited at the Office, or at such other place or places as determined by the Directors or as is specified in the notice convening the meeting or in any notice of any adjourned meeting or in any appointment of proxy sent out by the Company in relation to the meeting, not less than forty eight hours (excluding any days which are not Business Days) before the time of the holding of the meeting or adjourned meeting at which the person named in the appointment proposes to vote; or

17.7.2 in the case of an appointment by Electronic Means, where a Relevant Electronic Address has been specified for the purpose of receiving documents or information in electronic form (in the notice convening the meeting, or in any instrument of proxy sent out by the Company in relation to the meeting or in any invitation in electronic form to appoint a proxy issued by the Company in relation to the meeting) be received at such address not less than forty eight hours (excluding any days which are not Business Days) before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote,

in default of which the proxy shall not be treated as valid unless the Directors otherwise determine in their discretion.

17.8 A proxy may be revoked at any time prior to the meeting with respect to which it was given.

17.9 Any Member shall be entitled to appoint by power of attorney some person, whether a Member or not, to act as his attorney for the purposes of receiving notices of general meetings and attending general meetings and voting thereat, and upon such power of attorney being deposited at the Office together with a notice from the attorney giving his address, an entry thereof shall be made in the Register and all notices of meetings held during the continuance in force of such power of attorney shall be served upon the attorney thereby appointed as if such attorney were a Member of the Company and registered owner of the shares, and all notices, except where otherwise herein expressly provided, shall be deemed duly served if served upon such attorney in accordance with these Articles, and the attorney shall be entitled to attend any general meetings held during the continuance of his appointment and to vote thereat in respect of the shares of any Member appointing him, such vote to be exercised either personally or by proxy appointed by the attorney in accordance with these Articles. Every such power shall remain in full force notwithstanding the death of or its revocation by other means by the grantor, unless and until express notice in writing of such death or revocation shall have been given to the Company.

- 17.10 A vote given or poll demanded in accordance with the terms of an instrument of proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll, unless a notice of the determination of the proxy, or of the authority under which the proxy was executed, shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the proxy is used.
- 17.11 Subject to the Companies Law, a Written Resolution to which the requisite majority of Eligible Members have, within twenty eight days of the date of circulation of such Written Resolution, signified their agreement shall be as effective as if the same had been duly passed at a general meeting.

18. CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

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

19. APPOINTMENT OF DIRECTORS

- 19.1 Unless otherwise determined by Ordinary Resolution, the number of Directors shall not be subject to any maximum and the minimum number shall be one.
- 19.2 A person must not be appointed as a Director unless he has, in writing, consented to being a Director and declared that he is not ineligible to be a Director under the Companies Law.
- 19.3 A Director need not be a Member but shall be entitled to receive notice of and attend all general meetings of the Company.
- 19.4 No person shall, unless recommended by the Directors, be eligible for election to the office of Director at any general meeting unless not less thirty days before the date appointed for the meeting there shall have been left at the Office notice in writing signed by a Member duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected and containing a declaration that he is not ineligible to be a Director in accordance with the Companies Law.
- 19.5 The election of Directors shall take place at each annual general meeting of the Company and all Directors then in office shall retire but, if qualified and subject to the provisions of Article 19.4, shall be eligible for re-election. The number of Directors to be elected at any such meeting shall be the number of Directors then in office unless the Directors otherwise determine. Where the Members adopt an amendment to these Articles to set the maximum number or increase the

number of Directors, the Members may, at the meeting at which they adopt the amendment, elect the additional number of Directors authorised by the amendment. The election shall be by Ordinary Resolution. If an election of Directors is not held at the proper time, the incumbent Directors shall continue in office until their successors are elected.

- 19.6 The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, provided that the number of Directors so appointed may not exceed one-third of the number of Directors elected at the most recent meeting of Members at which Directors were elected. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election.
- 19.7 The Company in general meeting may by Ordinary Resolution appoint another person in place of a Director removed from office under Article 24, and without prejudice to the powers of the Directors under Article 19.5 the Company may by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director.

20. REMUNERATION OF DIRECTORS

- 20.1 The remuneration of the Directors shall be determined by the Directors in their absolute discretion on or after the incorporation of the Company. Such remuneration shall be deemed to accrue from day to day.
- 20.2 The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.
- 20.3 If any Director, being willing, shall be called upon to render or to perform and shall render or perform extra or special services of any kind or shall travel or go or reside in any country not his usual place of residence for any business or purposes of the Company, he shall be entitled to receive such sum as the Directors may think fit for expenses and also such remuneration as the Directors may think fit, either as a fixed sum or as a percentage of profits or otherwise, and such remuneration may, as the Directors shall determine, be either in addition to or in substitution for any other remuneration he may be entitled to receive, and the same shall be charged as part of the ordinary working expenses.
- 20.4 The Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and make contributions to any fund and pay premiums for the purchase or provision of any such gratuity pension or allowance.

21. DIRECTORS' AND OFFICERS' INTERESTS

- 21.1 A Director or Officer must, immediately after becoming aware of the fact that he is interested in

a transaction or proposed transaction with the Company, disclose to the Directors the nature and extent of his interest, in each case unless the transaction or proposed transaction is between the Director or Officer and the Company, and is to be entered into in the ordinary course of the Company's business and on usual terms and conditions.

21.2 Subject to the provisions of the Companies Law, and provided that he has disclosed to the other Directors in accordance with the Companies Law the nature and extent of any interest of his, a Director or Officer notwithstanding his office:

21.2.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company, or in which the Company is otherwise interested;

21.2.2 may act by himself or through his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director or Officer;

21.2.3 may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, a shareholder of or otherwise directly or indirectly interested in, any body corporate promoted by the Company, or with which the Company has entered into any transaction, arrangement or agreement or in which the Company is otherwise interested; and

21.2.4 shall not by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

21.3 For the purposes of this Article:

21.3.1 a general notice given to the Directors that a Director or Officer is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and

21.3.2 an interest of which a Director or Officer is unaware shall not be treated as an interest of his.

21.4 A Director shall be counted in the quorum at any meeting in relation to any resolution in respect of which he has declared an interest and may vote thereon.

21.5 A Director or Officer may continue to be or become a director, managing director, manager or other officer, employee or member of any company promoted by the Company or in which the Company may be interested or with which the Company has entered into any transaction,

arrangement or agreement, and no such Director or Officer shall be accountable for any remuneration or other benefits received by him as a director, managing director, manager, or other officer or member of any such other company. The Directors and Officers may exercise the voting power 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, managers or other officers of such company, or voting or providing for the payment of remuneration to the directors, managing directors, managers or other officers of such company).

- 21.6 Any Director or Officer who, by virtue of office held or employment with any other body corporate, may from time to time receive information that is confidential to that other body corporate (or in respect of which he owes duties of secrecy or confidentiality to that other body corporate) shall be under no duty to the Company by reason of his being a Director or Officer to pass such information to the Company or to use that information for the benefit of the Company, in either case where the same would amount to breach of confidence or other duty owed to that other body corporate.

22. POWERS AND DUTIES OF DIRECTORS

- 22.1 The business and affairs of the Company shall be managed by, or under the direction or supervision of the Directors who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers necessary for managing, and for directing and supervising the management of, the business and affairs of the Company as are not, by the Companies Law or by these Articles, required to be exercised by the Company in general meeting, subject, nevertheless, to any of these Articles, to the Memorandum, to the provisions of the Companies Law and to such regulations as may be prescribed by the Company by Special Resolution provided that such regulations are not inconsistent with these Articles, the Memorandum or the Companies Law; but no regulation made by the Company shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

- 22.2 The Company may from time to time by Special Resolution, amend these Articles to:

- 22.2.1 change the name of the Company;
- 22.2.2 change the jurisdiction in which the Company has its registered office;
- 22.2.3 remove any restriction on the business or businesses that the Company may carry on;
- 22.2.4 add, change, or remove restrictions on the issue, transfer or ownership of shares;
- 22.2.5 add, change, or remove any other provision that is permitted by Applicable Law to be set out in these Articles;

- 22.2.6 enter into an amalgamation with another company or companies; and
- 22.2.7 enter into a liquidation or dissolution of the Company.
- 22.3 The Company may from time to time by Extraordinary Resolution enter the following transactions:
 - 22.3.1 a sale, lease or exchange of all or substantially all of the assets of the Company other than in the ordinary course of business; and
 - 22.3.2 a migration of the Company to another jurisdiction to the extent that any change were to occur in the relative rights of the classes of shares on the migration.
- 22.4 Subject to any restriction thereon contained in the Companies Law or these Articles and without limitation to any powers of the Directors in Article 22.1, the Directors may from time to time and at any time appoint any company, firm or person or committee or body of persons (together the “**Appointee**”), whether nominated directly or indirectly by the Directors for such purpose and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles or the Companies Law) and for such period and subject to such conditions as they may think fit, and any such power or instrument appointing an Appointee may contain such provisions for the protection and convenience of persons dealing with any such Appointee as the Directors may think fit and may also authorise any such Appointee to delegate all or any of the powers, authorities and discretion vested in him.
- 22.5 The Directors shall cause minutes to be made in books provided for the purpose:
 - 22.5.1 of all appointments of Officers or Appointees made by the Directors and of the terms of reference of such appointments;
 - 22.5.2 of all powers of attorneys made by the Directors;
 - 22.5.3 of the names of the Directors present at all meetings of the Company and of the Directors and of committees of the Directors; and
 - 22.5.4 of all resolutions and proceedings at all meetings of the Company, of the Directors and of committees of the Directors.
- 22.6 The Directors may make terms of reference including rules of procedure for all or any committees save for committees of directors, which prevail over rules derived from the Articles (save for Article 21, the provisions of which shall apply to all committees of directors) and in the absence of any such rules, such committees must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Directors.

- 22.7 A power of attorney given by the Company shall be valid if executed by the Company under the common signature of the Company.

23. DIRECTORS' INSURANCE

To the fullest extent permitted by the Companies Law and without prejudice to the provisions of Article 36, the Directors shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, Officers or employees of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any other such company or subsidiary undertaking.

24. RETIREMENT AND REMOVAL OF DIRECTORS

- 24.1 The office of Director shall, ipso facto, be vacated:

- 24.1.1 if he resigns his office by writing under his hand deposited at the Office, provided that the Company may agree to accept the resignation to take effect on a later date as specified by the resigning Director;
- 24.1.2 if he shall have absented himself (such absence not being absence with leave or by arrangement with the Directors on the affairs of the Company) from meetings of the Directors for six months in succession and the other Directors shall have resolved that his office shall be vacated;
- 24.1.3 if he becomes bankrupt, suspends payment or compounds with his creditors, or is adjudged insolvent or has his affairs declared *en désastre* or has a preliminary vesting order made against his Guernsey realty;
- 24.1.4 if he dies;
- 24.1.5 if he becomes ineligible to be a Director in accordance with the Companies Law;
- 24.1.6 if he is removed by resolution of the Directors in writing signed by all his co-Directors (being not less than two in number) provided that, until the date of such written resolution, his acts as a Director shall be as effectual as if his office were not vacated; or
- 24.1.7 if the Company shall by Ordinary Resolution declare that he shall cease to be a Director.

25. PROCEEDINGS OF DIRECTORS

- 25.1 The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit.
- 25.2 Questions arising at any meeting shall be decided by a majority of votes and in the case of an equality of votes, the chairman shall have a second or casting vote.
- 25.3 A Director may, and the Secretary on the requisition of a Director shall, summon a meeting of the Directors.
- 25.4 Subject to the provisions hereof, a meeting of Directors or of a committee of Directors may be validly held notwithstanding that such Directors may not be in the same place provided that:
- 25.4.1 they are in constant communication with each other throughout by telephone, television or some other form of communication; and
- 25.4.2 all Directors entitled to attend such meeting so agree.
- A person so participating in the meeting shall be deemed to be present in person and shall accordingly be counted in the quorum and be entitled to vote. Such a meeting shall be deemed to take place where the chairman of the meeting then is.
- 25.5 The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and, unless so fixed, shall be two, except that where the number of Directors has been fixed at one pursuant to Article 19.1, a sole Director shall be deemed to form a quorum. For the purposes of this Article, an alternate director shall be counted in the quorum at a meeting at which the Director appointing him is not present.
- 25.6 If and for so long as there is a sole Director, he may exercise all the powers conferred on the Directors by the Articles by resolution in writing signed by him.
- 25.7 The continuing Directors or sole continuing Director may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of the Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company, but for no other purpose.
- 25.8 The Directors may elect a chairman of their meetings and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes of the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

- 25.9 The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.
- 25.10 No single Director, committee of Directors or committee of Appointees shall have authority to:
- 25.10.1 submit to the members any question or matter requiring the approval of the members;
 - 25.10.2 fill a vacancy among the Directors or in the office of auditor, or appoint additional Directors;
 - 25.10.3 issue securities except as authorised by the board of Directors;
 - 25.10.4 issue shares of a designated series of shares except as authorised by the board of Directors;
 - 25.10.5 declare Dividends or Distributions;
 - 25.10.6 pay a commission in respect of a sale of shares except as authorised by the Directors;
 - 25.10.7 approve any management proxy circular provided to members in accordance with Applicable Law;
 - 25.10.8 approve any take-over bid circular or Directors' circular prepared in accordance with Applicable Law;
 - 25.10.9 approve any financial statements of the Company (save interim financial statements, which may be approved by the audit committee, if any, of the board of directors), or
 - 25.10.10 adopt, amend or repeal these Articles.
- 25.11 A committee may elect a chairman of its meetings; if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.
- 25.12 A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the chairman shall have a second or casting vote.
- 25.13 The Directors shall appoint annually from its number an audit committee, or delegate to a committee responsibility for performing the functions of an audit committee, to be composed of not fewer than three (3) Directors. The composition of the committee shall comply with Applicable Law. The audit committee shall have the powers and duties as required under Applicable Law and in addition, such other powers and duties as the Directors may determine.
- 25.14 All acts done by any meeting of the Directors or of a committee of the Directors or by any person

acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any of the Directors or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

- 25.15 A resolution in writing, signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form signed by any one or more of the Directors.

26. MANAGING DIRECTOR OR CHIEF EXECUTIVE OFFICER

- 26.1 The Directors may from time to time appoint one or more of their body to the office of Managing Director or CEO for such period and on such terms as they think fit, and subject to the terms of any agreement entered into in any particular case, may revoke such appointment. The appointment of a Director so appointed shall be automatically determined if he ceases from any cause to be a Director.
- 26.2 A Managing Director or CEO shall receive such remuneration (whether by way of salary, commission, or participation in profits or partly in one way and partly in another) as the Directors may determine.
- 26.3 The Directors may entrust to and confer upon a Managing Director or CEO any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.

27. OFFICERS

- 27.1 The Directors may from time to time appoint one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other Officers as the Directors may determine, including one or more assistants to any of the Officers so appointed. One person may hold more than one office. The Directors may specify the duties of and, in accordance with these Articles and subject to these Articles and the Companies Law, delegate to such Officers powers to manage the business and affairs of the Company. Subject to the terms of these Articles, an Officer may but need not be a Director.
- 27.2 The powers and duties of all Officers shall be such as the terms of their engagement call for or as the Directors or (except for those whose powers and duties are to be specified only by the Directors) the Managing Director or CEO may specify. The Directors and (except as aforesaid) the Managing Director or CEO may, from time to time and subject to the provisions of the Companies Law, vary, add to or limit the powers and duties of any Officer. Any of the powers and duties of an Officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the Directors or the Managing Director or CEO otherwise

directs.

- 27.3 The Officers of the Company shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Officer so appointed may be removed by them. Otherwise each Officer appointed by the Directors shall hold office until a successor is appointed or until the Officer resigns.
- 27.4 No person shall be appointed or hold office as secretary who is:-
- 27.4.1 the sole Director of the Company; or
- 27.4.2 a corporation the sole director of which is the sole Director of the Company; or
- 27.4.3 the sole director of a corporation which is the sole Director of the Company.
- 27.5 A provision of Applicable Law 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. SECRETARY

- 28.1 The Directors may at their discretion appoint such person to be Secretary on such terms as they see fit (including as to remuneration) and for the avoidance of doubt may (but are not obliged to) appoint one of their number to act as both Director and Secretary.
- 28.2 Where the Company has appointed a Secretary, and without prejudice to the responsibility of any other person or to any other responsibilities he may hold, the functions and responsibilities of the Secretary are those which are set out in any agreement under which the Secretary is appointed from time to time or, failing such agreement the Secretary shall take reasonable steps to ensure:
- 28.2.1 that all registers and indexes are maintained in accordance with the provisions of Applicable Law;
- 28.2.2 that all notices and documents required to be filed or served upon the Registrar or other persons are duly so filed or served;
- 28.2.3 that all resolutions, records and minutes of the Company are properly kept;
- 28.2.4 that copies of the Memorandum and Articles are kept fully up to date; and
- 28.2.5 that the Directors are aware of any obligations imposed by the Memorandum and Articles.
- 28.3 The Secretary may be removed by resolution of the Directors or otherwise in accordance with Article 24 which shall apply mutatis mutandis as if the Secretary were a Director, save that Article

24.1.6 shall not apply.

29. THE SEAL

- 29.1 The Company may have a common seal (the "**Seal**") and if the Directors resolve to adopt a Seal the following provisions shall apply.
- 29.2 The Seal shall have the Company's name engraved on it in legible letters.
- 29.3 The Directors shall provide for the safe custody of the Seal, which shall only be used pursuant to a resolution passed at a meeting of the Directors, or a committee of the Directors authorised to use the Seal, and in the presence of two Directors or of one Director and the Secretary or of such person or persons as the Directors may from time to time appoint, and such person or persons, as the case may be, shall sign every instrument to which the Seal is affixed.
- 29.4 The Company may have for use in any territory, district or place abroad an official seal which shall bear on its face the Company's name in legible characters with the addition of the name of the territory, district or place where it is to be used.

30. RECORD DATES

- 30.1 Subject to any restriction thereon contained in Applicable Law, for the purposes of serving notices of meetings, whether under Applicable Law or under a provision in these Articles or any other instrument, the Directors may determine that those persons who are entered on the Register at the close of business on a day determined by the Directors shall be persons who are entitled to receive such notices provided that such day may not be less than 21 days and not more than 60 days before the date of the meeting.
- 30.2 For the purposes of determining which persons are entitled to attend or vote at a meeting, and how many votes they may cast, the Directors may specify in the notice of the meeting a time, being not less than 21 days and not more than 60 days before the date of the meeting, by which a person must be entered on the Register in order to have the right to attend or vote at the meeting.
- 30.3 Notwithstanding any provision to the contrary in these Articles, changes to entries on the Register after the time specified under Article 30.2 shall be disregarded in determining the rights of any person to attend or vote at the meeting unless the Directors in their discretion decide otherwise.
- 30.4 Subject to any restriction thereon contained in Applicable Law or in the terms of issue of any share in the Company, for the purposes of issuing any share, making any Distribution or paying any Dividend, the Directors may determine that those persons who are entered on the Register at the close of business on a day determined by the Directors shall be the persons who are entitled to receive such shares, Dividends or Distributions.

31. DIVIDENDS, DISTRIBUTIONS AND RESERVES

- 31.1 The Directors may from time to time authorise Dividends and Distributions to be paid to the Members in accordance with the procedure set out in Applicable Law and subject to any Member's rights attaching to their shares. The declaration of the Directors as to the amount of the Dividend or Distribution available shall be final and conclusive.
- 31.2 If any share is issued on terms providing that it shall rank for Dividend or Distribution as from a particular date such share shall rank for Dividend or Distribution accordingly.
- 31.3 The Directors may, in relation to any Dividend or Distribution, direct that the Dividend or Distribution shall be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares, debentures, or other securities of any other company, and where any difficulty arises in regard to the Dividend or Distribution the Directors may settle it as they think expedient, and in particular may authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for Dividend and Distribution purposes of any assets or any part thereof and may determine that cash shall be paid to any Members upon the footing of the value so fixed in order to secure equality of Dividend or Distribution and may vest any assets the subject of a Dividend or Distribution in trustees as may seem expedient to the Directors.
- 31.4 The Directors may deduct from the Dividends or Distributions payable to any Member all such sums of money as may be due from him to the Company on account of calls or otherwise.
- 31.5 No Dividend or Distribution shall bear interest against the Company.
- 31.6 The receipt of the person appearing by the Register to be the holder of any shares shall be a sufficient discharge to the Company for any Dividend or Distribution or other moneys payable in respect of such shares; and where several persons are the joint holders of a share the receipts of any one of them shall be a good discharge to the Company for any Dividends or Distributions or other moneys payable thereon.
- 31.7 A transfer of shares shall not pass the right to any Dividend or Distribution declared thereon before the registration of the transfer.
- 31.8 Unless otherwise directed, any Dividend or Distribution may be paid by way of electronic transfer in such manner as agreed between the Member and the Company or by cheque or warrant sent through the post to the registered address of the Member entitled thereto, or in the case of joint holders to that one whose name stands first on the Register in respect of the joint holding and every cheque or warrant so sent shall be payable to the order of the person to whom it is sent, and the payment of any such electronic transfer, cheque or warrant shall operate as a good discharge to the Company in respect of the Dividend or Distribution represented thereby,

notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged.

- 31.9 All Dividends and Distributions unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.
- 31.10 Any Dividend or Distribution which has remained unclaimed for a period of six years from the date of declaration thereof shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company and shall thenceforth belong to the Company absolutely.

32. ACCOUNTS

- 32.1 The Directors shall keep proper books of account with respect to all the transactions, assets and liabilities of the Company in accordance with Applicable Law.
- 32.2 Subject to Applicable Law, the books of account shall be kept at the Office, or at such other place or places as the Directors shall think fit and shall at all times be open to the inspection of the Directors and the Secretary.
- 32.3 Accounts complying with the provisions of Applicable Law (which for the avoidance of doubt include a profit and loss account and a balance sheet) shall be prepared by the Company. The accounts shall be accompanied by a report of the Directors stating the principal activities and the state and condition of the Company, save where the Directors' duty to prepare a report is exempted or waived in accordance with Applicable Law. The accounts and Directors' report shall be signed on behalf of the Directors by at least one of them.
- 32.4 Where the Company holds an annual general meeting:
 - 32.4.1 a copy of the annual accounts and Directors' report (if any) with the auditor's report (if any) attached thereto shall be laid before that meeting; and
 - 32.4.2 a copy of the annual accounts and Directors' report (if any) with the auditor's report (if any) attached thereto shall be delivered or sent by post to the registered address of the Members or sent by Electronic Means within twelve months of the end of the financial period to which such accounts and reports relate.
- 32.5 Where the Company is authorised not to hold an annual general meeting and does not do so, a copy of the annual accounts and Directors' report (if any) with the auditor's report (if any) attached thereto shall be delivered or sent by post to the registered address of the Members or sent by Electronic Means within twelve months of the end of the financial period to which such accounts and reports relate.

33. AUDIT

Unless the Company is eligible pursuant to Applicable Law for an exemption and the Members pass a Waiver Resolution exempting the Company from the requirement under the Applicable

Law to have the Company's annual accounts audited, the Company shall appoint an auditor and the Company's accounts shall be audited in accordance with Applicable Law.

34. NOTICES

34.1 Any Member may notify the Company of a Relevant Electronic Address for the purpose of his receiving communications by Electronic Means from the Company at any time.

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

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

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

34.4.1 received in the case of a notice sent by post to an address in the United Kingdom, Channel Islands or the Isle of Man, on the second day after the day of posting;

34.4.2 received in the case of a notice sent by post elsewhere, on the third day after the day of posting; and

34.4.3 served in the case of a notice transmitted by Electronic Means, immediately after it was transmitted in accordance with Article 34.2;

excluding, in the first two cases, any day which is not a Business Day.

34.5 All Members shall be deemed to have agreed to accept communication from the Company by Electronic Means (including, for the avoidance of doubt, by means of a website) in accordance with Sections 523, 524 and 526 and Schedule 3 of the Companies Law unless a Member notifies the Company otherwise. Notice under this Article must be in writing and signed by the Member and delivered to the Office or such other place as the Directors decide.

34.6 In the absence of any notice from a Member in accordance with Article 34.5 and subject to the requirements of Applicable Law, the Company may, but is not obliged to, satisfy its obligation to send a Member any notice or other document by:

- 34.6.1 publishing such notice or document on a website; and
- 34.6.2 notifying him that such notice or document has been so published, specifying the address of the website on which it has been published, the place on the website where it may be accessed, how it may be accessed and
- (a) if it is a notice relating to a shareholders' meeting stating (i) that the notice concerns a notice of a Company meeting served in accordance with Applicable Law (ii) the place, date and time of the meeting, (iii) whether the meeting is to be an annual or extraordinary general or class meeting, and (iv) such other information as Applicable Law may prescribe or permit; and
 - (b) if it is a notice of a Written Resolution or a statement relating to a Written Resolution, the notice must be available on the website throughout the period beginning with the circulation date and ending on the date on which the resolution lapses.
- 34.7 For the avoidance of doubt, any Relevant Electronic Address specified by a Member to the Company prior to the date of adoption of these Articles for the purpose of communicating by Electronic Means will constitute a notification of that Relevant Electronic Address for the purposes of Article 34.1.
- 34.8 A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the Register in respect of the share.
- 34.9 A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a Member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
- 34.10 Subject to Article 30.1 and the requirements of Applicable Law, notice of every general meeting shall be given in any manner hereinbefore authorised to:
- 34.10.1 every Member who has supplied to the Company a registered address or Relevant Electronic Address for the giving of notices to him;
 - 34.10.2 every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member where the Member but for his death or bankruptcy would be entitled to receive notice of the meeting;
 - 34.10.3 each Director who is not a Member;
 - 34.10.4 the Company's auditor (where the Company has one); and

34.10.5 any other person who is entitled under Applicable Law to such notice.

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

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

35. WINDING UP

- 35.1 The Company may be wound up voluntarily if the Members pass a Special Resolution requiring that the Company be wound up voluntarily. Upon the passing of such Special Resolution, the process of voluntary winding up shall commence and the Company shall cease to carry on business except in so far as it may be expedient for the beneficial winding up of the Company. The Company's corporate state and powers shall be deemed to continue until the Company's dissolution.
- 35.2 If the Company shall be wound up, the surplus assets remaining after payment of all creditors, including the repayment of bank borrowings, shall be divided *pari passu* among the Members *pro rata* to their holdings of those shares which are subject to the rights of any shares which may be issued with special rights or privileges.
- 35.3 If the Company shall be wound up the liquidator may, with the sanction of a resolution of the Company passed by Special Resolution and any other sanction required by Applicable Law, divide amongst the Members *in specie* or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.
- 35.4 Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company (the "**Transferee Company**") the liquidator may, with the sanction of an Ordinary Resolution conferring either a general authority on the liquidator or an authority in respect of any particular arrangement, receive in compensation or part compensation for the transfer or sale, shares, policies or other like interests in the Transferee Company for distribution among the Members or may enter into any other arrangement whereby the Members may, in lieu of receiving cash, shares, policies or other like interests, or in addition thereto, participate in the profits of or receive any other benefits from the Transferee Company.

36. INDEMNITY

- 36.1 The Directors (including any alternate Director), Secretary and other Officer or employee for the time being of the Company shall be indemnified out of the assets of the Company to the fullest extent permitted by the Companies Law from and against all actions, costs, charges, losses, damages and expenses in respect of which they may lawfully be indemnified which they or any of them shall or may incur or sustain by reason of any contract entered into or any act done, concurred in, or omitted, in or about the execution of their duty or supposed duty or in relation thereto, except such (if any) as they shall incur or sustain by or through their own wilful act, negligence or default respectively, and none of them shall be answerable for the acts, receipts, negligence or defaults of the other or others of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for any bankers, brokers, or other persons into whose hands any money or assets of the Company may come, or for any defect of title of the Company to any property purchased, or for the insufficiency or deficiency or defect of title of the Company, to any security upon which any moneys of the Company shall be invested, or for any loss or damage occasioned by an error of judgement or oversight on their part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution of their respective offices or in relation thereto, except the same shall happen by or through their own wilful act, negligence or default respectively.
- 36.2 The Company shall advance moneys to a Director, Officer or other individual for the costs, charges and expenses of a proceeding referred to in Article 36.1. The individual shall repay the moneys if the individual does not fulfil the conditions of Article 36.1.
- 36.3 The Company shall also indemnify an individual referred to in Article 36.1 in such other circumstances as permitted by the Companies Law. Nothing in these Articles shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of these Articles.

37. INSPECTION OF REGISTERS AND OTHER RECORDS

- 37.1 A Director shall be entitled at any time to inspect the Register, the minute books, the annual validation, the register of Directors and secretaries and the index, if any, of Members.
- 37.2 A Member shall be entitled in accordance with the Companies Law to inspect the Register and the other documents mentioned in Article 37.1 other than the minutes of proceedings at Directors' meetings.
- 37.3 Any person who is not a Director or a Member shall be entitled on fulfilling the requirements in the Companies Law to inspect the Register, the register of Directors and secretaries and the index, if any, of Members.
- 37.4 The rights of inspection herein referred to shall be exercisable between 9 a.m. and 5 p.m. on any Business Day.

37.5 Subject to Article 37.1, no Member shall (as such) have any right of inspecting any accounting records or other books or documents of the Company except as conferred by the Companies Law or authorised by the Directors or by Ordinary Resolution.

38. COMMON SIGNATURE

The common signature of the Company may be the Company's name with the addition of the signature(s) of one or more officer(s) of the Company authorised generally or specifically by the Directors for such purpose, or such other person or persons as the Directors may from time to time appoint; or if the Directors resolve that the Company shall have a common seal, the common seal of the Company affixed in such manner as these Articles may from time to time provide, as the Directors may from time to time determine either generally or in any particular case.