

16. Indemnification

- (a) Subject to the exceptions in (b) below, the Jersey Companies Law prohibits any provision whether contained in the Articles or in a contract with the Company or otherwise whereby the Company or any of its subsidiaries or any other person, for some benefit conferred or detriment suffered directly or indirectly by the Company, agrees to exempt any person from, or indemnify him against, any liability which by law would otherwise attach to him by reason of the fact that he is or was an officer of the Company.
- (b) The above prohibitions do not apply to a provision for exempting a person from or indemnifying him against:
 - (i) any liabilities incurred in defending any proceedings (whether civil or criminal):
 - (A) in which judgment is given in his favour or he is acquitted; or
 - (B) which are discontinued otherwise than for some benefit conferred by him or on his behalf or some detriment suffered by him; or
 - (C) which are settled on terms which include such benefit or detriment and, in the opinion of a majority of the Directors (excluding any Director who conferred such benefit or on whose behalf such benefit was conferred or who suffered such detriment), he was substantially successful on the merits in his resistance to the proceedings;
 - (ii) any liability incurred otherwise than to the Company if he acted in good faith with a view to the best interests of the Company; or
 - (iii) any liability incurred in connection with an application made under the Jersey Companies Law in which relief is granted to him by the Royal Court of Jersey; or
 - (iv) any liability against which the Company normally maintains insurance for persons other than the Directors of the Company.

C. SUMMARY OF MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION

The Company was incorporated in Jersey as a public company limited by shares on 2 May 2006 under the Jersey Companies Law. The registered office is situated at 13 Castle Street, St Helier, Jersey, Channel Islands, JE1 1ES. The Company has established its principal place of business in Hong Kong at Unit 2406, 24/F., Strand 50, 50 Bonham Strand, Sheung Wan, Hong Kong and has been registered as a non-Hong Kong Company under Part 16 of the Companies Ordinance since 28 May 2019. Set out below is a summary of certain provisions of the Memorandum and Articles of the Company and of certain aspects of the Jersey Companies Law. The Memorandum and the Articles comprise its constitution.

1. MEMORANDUM OF ASSOCIATION

1.1 The Memorandum states, inter alia, that:

- (a) the name of the Company is China New Energy Limited;
- (b) the liability of each member arising from his holding of a share in the Company is limited to the amount (if any) unpaid on it;
- (c) the Company has unrestricted corporate capacity;
- (d) the Company is a par value company;
- (e) the Company is a public company; and
- (f) the share capital of the Company is £10,000,000 divided into 40,000,000,000 ordinary shares of £0.00025 each.

1.2 The Company may by special resolution alter its Memorandum.

2. ARTICLES OF ASSOCIATION

The Articles were adopted on 23 October 2019 with effect from the admission of Shares to trading on the Main Board of the Stock Exchange. The following is a summary of certain provisions of the Articles:

2.1 Directors

(a) Power to allot and issue shares and warrants

- (i) Subject to the provisions of the Jersey Companies Law and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued (a) with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine, or (b) on terms that, at the option of the Company or the holder thereof, it is liable to be redeemed.
- (ii) The Directors may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may determine.

- (iii) Subject to the provisions of the Jersey Companies Law and the Articles and, where applicable, the rules of the Stock Exchange and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company are at the disposal of the Directors who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in their absolute discretion think fit.
- (iv) Neither the Company or the board is obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

(b) *Power to dispose of the assets of the Company or any subsidiary*

There are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries. The business of the Company shall be managed by the Directors who may pay all expenses incurred in promoting and registering the Company and may exercise all such powers of the Company as are not by the Jersey Companies Law or the Articles required to be exercised. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles, any Directors given by special resolutions of the Shareholders or the Jersey Companies Law to be exercised or done by the Company in general meeting.

(c) *Compensation or payments for loss of office*

The Directors shall obtain the approval of the Company in general meeting before making any payment to any Director or past Director of the Company 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).

(d) *Loans to Directors*

There are comprehensive provisions in the Articles prohibiting the making of loans to Directors.

(e) Giving of financial assistance to purchase the shares of the Company or any of its subsidiaries

The Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company in any manner authorised or not prohibited by the Jersey Companies Law, provided always that for so long as the shares are listed on the Stock Exchange, any such provision of financial assistance shall also comply with the requirements of the Companies Ordinance (Cap.622 of the Laws of Hong Kong) from time to time in force as if the Company was incorporated in Hong Kong unless the Stock Exchange waives this requirement for companies incorporated outside Hong Kong (in which case the Company shall then comply with the requirements of the Stock Exchange from time to time in force, if any).

(f) Disclosure of interests in contracts with the Company or any of its subsidiaries

(i) A Director who, to his knowledge, is in any way (directly or indirectly) interested in any contract, arrangement, transaction or proposal to be entered into or proposed to be entered into by the Company and such interest conflicts or may conflict to a material extent with the interests of the Company shall declare the nature of his interest at the earliest meeting of the Directors at which it is practicable for him to do so, either specifically or by way of a general notice in writing delivered to the secretary, at the earliest meeting of the Directors after he knows that he is or has become so interested.

(ii) For the purpose of the above:

(A) a general notice given to the Directors by a Director that he is to be regarded as having an interest (of the nature and extent specified in the notice) in any contract, transaction, arrangement or proposal in which a specified person or class of persons is interested shall be deemed to be a sufficient disclosure under the Articles in relation to such contract, transaction, arrangement or proposal; and

(B) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

(iii) Save in limited circumstances, a Director shall not vote on (nor shall he be counted in the quorum in relation to) any resolution of the Directors or of a committee of the Directors concerning any contract, transaction, arrangement, or any other proposal whatsoever to which the Company is or is to be a party and in which he or any of his associates has an interest which is to his knowledge a material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company.

(g) Remuneration

- (i) The Directors shall be entitled to such remuneration as the Directors may determine subject to any limitation as the Company may by ordinary resolution determine.
- (ii) The Directors shall be paid out of the funds of the Company their travelling hotel and other expenses properly and necessarily incurred by them in connection with their attendance at meetings of the Directors or members or otherwise in connection with the discharge of their duties.

(h) Appointment, retirement and removal

- (i) Any Director holding office prior to the adoption of the Articles shall continue to hold office until he resigns or is disqualified or removed in accordance with the provisions of the Articles.
- (ii) The Directors shall have power at any time and from time to time to appoint any person (other than one disqualified or ineligible by law to act as a director of a company) to be a Director either to fill a casual vacancy or as an addition to the existing Directors provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Articles as the maximum number of Directors. Any Director so appointed shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election at such meeting (but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation).
- (iii) The Company may by ordinary resolution:
 - (A) appoint any person (other than one disqualified or ineligible by law to act as a director of a company) as a Director; and
 - (B) remove any Director from office before the expiration of his period in office (without prejudice to a claim for damages for breach of contract or otherwise).
- (iv) The office of a Director shall be vacated if the Director:
 - (A) resigns his office by notice to the Company;
 - (B) ceases to be a Director by virtue of any provision of the Jersey Companies Law or he becomes prohibited or disqualified by law from being a Director;
 - (C) becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - (D) becomes of unsound mind; or

- (E) is removed from office by ordinary resolution.
- (v) There is no shareholding qualification for Directors nor is there any specified age limit for Directors.
 - (vi) At every annual general meeting one-third of the Directors or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office; but if any Director has at the start of the annual general meeting been in office for three years or more since his last appointment or re-appointment, he shall retire at that annual general meeting.
 - (vii) Subject to the provisions of the Jersey Companies Law and the Articles, the Directors to retire by rotation shall be, first, those who wish to retire and not be re-appointed to office, and, second, those who have been longest in office since their last appointment or re-appointment. As between persons who became or were last re-appointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Directors at the date of the notice convening the annual general meeting. No Director shall be required to retire or be relieved from retiring or be retired by reason of any change in the number or identity of the Directors after the date of the notice but before the close of the meeting.
 - (viii) If the Company does not fill the vacancy at the meeting at which a Director retires by rotation or otherwise, the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the re-appointment of the Director is put to the meeting and lost.
 - (ix) No person other than a Director retiring by rotation shall be appointed a Director at any general meeting unless he is recommended by the Directors or during a period, being not less than seven days, between a day that is not less than seven days before the date appointed for the meeting and the day after the despatch of the notice of such meeting, notice by a Member qualified to vote at the meeting (not being the person to be proposed) has been received by the Company of the intention to propose that person for appointment stating the particulars which would, if he were so appointed, be required to be included in the Company's register of Directors, together with notice by that person of his willingness to be appointed.
 - (x) The Directors may delegate any of their powers to committees consisting of such Director or Directors or such other persons as they think fit, and it may from time to time revoke such delegation or revoke the appointment of an discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed must, in the exercise of the powers, authorities and discretions so delegated, conform to any regulation that may from time to time be imposed upon it by the board.

(i) ***Borrowing powers***

The Directors may exercise all such powers of the Company as are not by the Jersey Companies Law or the Articles required to be exercised by the Company in general meeting. As set out in the Memorandum, the Company has unrestricted corporate capacity.

(j) ***Quorum for board meetings***

The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be two provided that, where at least two Directors have been appointed, whether before or after the adoption of the Articles, who were initially proposed in a proposal by proposers (as such terms are set out in paragraph 2(h)(x) above), whether before or after the adoption of the Articles, then the quorum shall consist of an aggregate number of Directors (or their alternates) equal to such number representing one Director so appointed by each proposer unless any such Director is prohibited from voting for any reason in which case the quorum shall be reduced accordingly provided that the quorum shall not be less than two. In the event that a quorum is not present at a duly convened meeting, then such meeting shall be adjourned for at least ten business days and each Director shall be notified of the time, date and place for the reconvened meeting and the quorum at such meeting, in the event that all Directors have been duly notified of the time, date and place for the reconvened meeting, shall be two Directors howsoever appointed. An alternate Director shall be counted in a quorum but so that not less than two individuals will constitute the quorum. A resolution in writing signed by a majority of the Directors entitled to receive notice of a meeting of Directors or of a committee of Directors provided that such resolution is signed by at least one Director appointed by each proposer shall be valid and effectual as if it had been passed at a meeting of the Directors or of a committee of Directors duly convened and held.

2.2 Alterations to constitutional documents

The Articles state that the Memorandum and the Articles are only capable of being amended by the passing of a special resolution.

2.3 Variation of rights of existing shares or classes of shares

Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class.

2.4 Special resolutions – majority required

A special resolution is defined in the Articles as a resolution of the Company passed as a special resolution by a majority of not less than three quarters of members who (being entitled to do so) vote in person, or by proxy, at a general meeting of the Company of which not less than twenty-one clear days' notice, specifying the intention to propose the special resolution, has been given. Provided that, if it is so agreed by a majority in number of the members having the right to attend and vote at such meeting upon the resolution, being a majority together holding not less than ninety-five per cent. of the total voting rights of the members who have that right a resolution may be proposed and passed as a special resolution at a meeting at which less than twenty-one clear days' notice has been given in accordance with the Jersey Companies Law.

2.5 Voting rights (generally and on a poll)

- (a) Subject to any special rights restrictions or prohibitions as regards voting for the time being attached to any shares as may be specified in the terms of issue thereof or the Articles:
 - (i) on a show of hands, every member present in person shall have one vote and every proxy who has been appointed by a member entitled to vote on the resolution has one vote (except where multiple proxies have been appointed by a member); and
 - (ii) on a poll, every member present in person or by proxy shall have one vote for each share of which he is the holder.
- (b) In the case of joint holders of any share such persons shall not have the right of voting individually in respect of such share but shall elect one of their number to represent them and to vote whether personally or by proxy in their name. In default of such election the person whose name appears first in order in the register in respect of such share shall be the only person entitled to vote in respect thereof.
- (c) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company of which he is holder or one of the joint holders have been paid.
- (d) Where any shares of the Company are held in trust for the Company, such shares shall not, for so long as they are so held, confer any right to vote at meetings of the Company.
- (e) For as long as the shares of the Company are admitted to trading on the Stock Exchange, at any general meeting a resolution put to the meeting shall be decided in the manner as prescribed in the Listing Rules (i.e. on a poll).
- (f) Where any member under the Listing Rules is required to abstain from voting on any particular resolution or is restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

2.6 Requirements for annual general meetings

The Company shall in each calendar year hold a general meeting as its annual general meeting at such time and place as may be determined by the Directors. Not more than 15 months (or such longer period as the Designated Stock Exchange or the Jersey Companies Law may authorise) shall elapse between subsequent annual general meetings.

2.7 Accounts and audit

- (a) The Company shall keep accounting records, prepared in accordance with and subject to the provisions of the Jersey Companies Law, which are sufficient to show and explain the Company's transactions and are such as to disclose with reasonable accuracy at any time the financial position of the Company at that time and enable the Directors to ensure that any accounts prepared by the Company comply with requirements of the Jersey Companies Law and International Financial Reporting Standards.
- (b) The Directors shall prepare accounts of the Company made up to such date in each year as the Directors shall from time to time determine in accordance with and subject to the provisions of the Jersey Companies Law and International Financial Reporting Standards.
- (c) No member shall (as such) have any right to inspect any accounting records or other book or document of the Company except as conferred by the Jersey Companies Law or authorised by the Directors or by ordinary resolution of the Company.
- (d) Subject to the Jersey Companies Law, copies of either (i) the Company's balance sheet (including every document required by the Jersey Companies Law to be annexed thereto) and profit and loss account, together with a copy of the Directors' report for that financial year and the auditors' report on those accounts, or (ii) the summary financial report shall, at least twenty-one clear days before the date of the meeting at which copies of those documents are to be laid in accordance with the provisions of the Jersey Companies Law, be delivered or sent by post to every member and to every holder of the Company's debentures of whose address the Company is aware and to every other person who is entitled to receive notice of meetings of the Company under the provisions of the Jersey Companies Law or the Articles, or in the case of joint holders of any share or debenture to one of the joint holders. Copies need not be sent to a person for whom the Company does not have a current address.
- (e) The Directors or the Company by ordinary resolution shall appoint auditors to hold office until the conclusion of the next annual general meeting for any period or periods to examine the accounts of the Company and to report thereon in accordance with the Jersey Companies Law.

A Director, officer or any employee of such Director and officer shall not be appointed the auditors of the Company.

2.8 Notice of meetings and business to be conducted thereat

(a) *Notice of meetings*

- (i) At least 21 clear days' written notice shall be given of every annual general meeting and of every general meeting called for the passing of a special resolution and at least 14 clear days' written notice shall be given of all other general meetings.
- (ii) A meeting of the Company shall notwithstanding that it is called by shorter notice than that specified above be deemed to have been duly called if it is so agreed in the case of an annual general meeting by all the members entitled to attend and vote thereat and in the case of any other meeting by a majority in number of the members having a right to attend and vote at the meeting being a majority together holding not less than 95% in nominal value of the shares giving that right.
- (iii) Every notice shall specify the place the day and the time of the meeting and the general nature of the business to be transacted and in the case of an annual general meeting shall specify the meeting as such.
- (iv) Subject to the provisions of the Articles and to any restrictions imposed on any shares, notice of every general meeting shall be given to all the members, to all persons entitled to a share in consequence of the death, bankruptcy or incapacity of a member, to the auditors (if any) and to every Director who has notified the secretary in writing of his desire to receive notice of general meetings.
- (v) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a member.
- (vi) The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- (vii) Where the Company gives notice of its intention to move a resolution at a general meeting of the Company or a meeting of any class of members, the notice shall include or be accompanied by a statement containing such information and explanation, if any, as is reasonably necessary to indicate the purpose of the resolution and disclosing any material interests of any Director in the matter dealt with by the resolution so far as the resolution affects those interests differently from the interests of other members.

(b) *Business of general meetings*

The business of an annual general meeting shall be to receive and consider the accounts of the Company and the reports of the Directors and auditors, to elect Directors (if proposed), to elect auditors and fix their remuneration, to sanction a dividend (if thought fit so to do) and to transact any other business of which notice has been given.

2.9 Transfer of shares

- (a) Save as otherwise permitted under the provisions of the Jersey Companies Law, all transfers of shares shall be affected using an instrument of transfer. The instrument of transfer of any share shall be in writing in any usual common form or in any form approved by the Stock Exchange or any form approved by the Directors and may be under hand or, if the transferor or the transferee is a clearing house or its nominee(s) by hand or machine imprinted signature or by such other manner of execution as the board of Directors may approve from time to time. The instrument of transfer of any share shall be signed by or on behalf of the transferor and in the case of an unpaid or partly paid share by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. A Shareholder may transfer all or any uncertificated Shares in accordance with the Companies (Uncertificated Securities) (Amendment No. 2) (Jersey) Order 1999, as amended.
- (b) Fully paid shares of the Company shall be free from any restriction on transfer (except where permitted by the Designated Stock Exchange) and shall also be free from all liens. The Directors may in their absolute discretion and without assigning any reason therefor refuse to register the transfer of a certificated share which is not fully paid up including without limitation a transfer of such shares to a person of whom they do not approve and a transfer of a certificated share on which the Company has a lien. The Directors may also refuse to register the transfer of a share unless the instrument of transfer is lodged at the Company's registered office or at such other place as the Directors may appoint accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, is in respect of only one class of shares and is in favour of not more than four transferees.
- (c) If the Directors refuse to register a transfer of a share they shall within two months after the date on which the instrument of transfer was lodged with the Company send to the proposed transferor and transferee notice of the refusal.
- (d) The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods as the Directors may determine, provided always that such registration shall not be suspended for more than thirty days in any calendar year. Unless otherwise permitted by the Companies (Uncertificated Securities) (Amendment No. 2) (Jersey) Order 1999, as amended, the Company may not close any register relating to a participating security without the consent of the approved operator of the relevant system.

- (e) Unless otherwise decided by the Directors in their sole discretion no fee shall be charged in respect of the registration of any instrument of transfer or other document relating to or affecting the title to any share. To the extent that the Directors decide to charge a fee in respect of the registration, the fee shall be the same or less than the maximum amount prescribed by the Designated Stock Exchange from time to time.
- (f) In respect of any allotment of any share the Directors shall have the same right to decline to approve the registration of any renounee of any allottee as if the application to allot and the renunciation were a transfer of a share under the Articles.

2.10 Power for the Company to purchase its own shares

Subject to the provisions of the Jersey Companies Law, the Company may purchase its own shares (including redeemable shares) in any manner authorised or not prohibited by the Jersey Companies Law, provided always that for so long as the shares are listed on the Stock Exchange, any such purchase shall also comply with the requirements of the Companies Ordinance from time to time in force as if the Company was incorporated in Hong Kong unless the Stock Exchange waives this requirement for companies incorporated outside Hong Kong (in which case the Company shall then comply with the requirements of the Stock Exchange from time to time in force, if any).

2.11 Power for any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to ownership of shares in the Company by a subsidiary.

2.12 Dividends and other methods of distribution

- (a) Subject to the provisions of the Jersey Companies Law, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members but no dividend shall exceed the amount recommended by the Directors. The Directors may also if they think fit from time to time pay to the members such interim dividends as they may determine. If at any time the share capital of the Company is divided into different classes the Directors may pay such interim dividends in respect of those shares which confer on the holders thereof deferred or non-preferred rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend. Furthermore, Directors may also pay half-yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate. Provided the Directors act bona fide they shall not incur any personal liability to the holders of shares conferring a preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferred rights.

- (b) Subject to any particular rights or limitations as to dividend for the time being attached to any shares as may be specified in the Articles or upon which such shares may be issued, all dividends shall be declared apportioned and paid pro rata according to the amounts paid up on the shares on which the dividend is paid (otherwise than in advance of calls) provided that if any share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) or as from a particular date (either past or future) such share shall rank for dividend accordingly.
- (c) The Directors may before recommending any dividend set aside such sums as they think proper as a reserve or reserves which shall at the discretion of the Directors be applicable for any purpose to which such sums may be properly applied and pending such application may at the like discretion be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit. The Directors may carry forward to the account of the succeeding year or years any balance which they do not think fit either to dividend or to place to reserve.
- (d) A general meeting declaring a dividend may upon the recommendation of the Directors direct that payment of such dividend shall be satisfied wholly or in part by the distribution of specific assets and in particular of paid-up shares or debentures of any other company and the Directors shall give effect to such resolution. Where any difficulty arises in regard to the distribution the Directors may settle the same as they think expedient.
- (e) Any resolution declaring a dividend on the shares of any class whether a resolution of the Company in general meeting or a resolution of the Directors or any resolution of the Directors for the payment of a fixed dividend on a date prescribed for the payment thereof may specify that the same shall be payable to the persons registered as the holders of shares of the class concerned 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 (or as the case may be that prescribed for payment of a fixed dividend) and thereupon the dividend shall be payable 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 shares of the relevant class.
- (f) The Directors may deduct from any dividend or other monies payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- (g) All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. No dividend shall bear interest as against the Company. Any dividend which has remained unclaimed for a period of ten 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.

2.13 Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and is entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy is entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy is entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise as if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

2.14 Calls on shares and forfeiture of shares

(a) *Calls on shares*

- (i) The Directors may subject to the provisions of the Articles and to any conditions of allotment from time to time make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and each member shall (subject to being given at least fourteen clear days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be required to be paid by instalments. A call may before receipt by the Company of any sum due thereunder be revoked in whole or in part and payment of a call may be postponed in whole or in part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls and all other payments to be made in respect of such share.
- (ii) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof the person from whom the sum is due may be required to pay interest on the sum from the day appointed for payment thereof to the time of actual payment at a rate determined by the Directors but the Directors shall be at liberty to waive payment of such interest wholly or in part.

- (iii) Any sum which by or pursuant to the terms of issue of a share becomes payable upon allotment or at any fixed date whether on account of the nominal value of the share or by way of premium shall for the purposes of the Articles be deemed to be a call duly made and payable on the date on which by or pursuant to the terms of issue the same becomes payable and in case of non-payment all the relevant provisions of the Articles as to payment of interest, forfeiture, surrender or otherwise shall apply as if such sum had become due and payable by virtue of a call duly made and notified.
- (iv) The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.
- (v) The Directors may if they think fit receive from any member an advance of monies which have not yet been called on his shares or which have not yet fallen due for payment. Such advance payments shall, to their extent, extinguish the liability in respect of which they are paid. The Company may pay interest on any such advance, at such rate as the Directors think fit, for the period covering the date of payment to the date when the monies would have been due had they not been paid in advance. For the purposes of entitlement to dividends, monies paid in advance of a call or instalment shall not be treated as paid until the due date.

(b) *Forfeiture of shares*

- (i) If a member fails to pay any call or instalment of a call on or before the day appointed for payment thereof the Directors may at any time thereafter during such time as any part of such call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and any costs, charges and expenses which may have been incurred by the Company by reason of such non-payment. The notice shall name a further day (not earlier than the expiration of fourteen clear days from the date of service of such notice) on or before which the payment required by the notice is to be made and the place where payment is to be made and shall state that in the event of non-payment at or before the time appointed and at the place appointed the shares in respect of which the call was made will be liable to be forfeited.
- (ii) If the requirements of any such notice as aforesaid are not complied with any share in respect of which such notice has been given may at any time thereafter before payment of all calls and interest due in respect thereof has been made be forfeited by a resolution of the Directors to that effect and such forfeiture shall include all dividends which shall have been declared on the forfeited shares and not actually paid before the forfeiture.

- (iii) A forfeited or surrendered share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors think fit and at any time before a sale, re-allotment or other disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit.
- (iv) A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the forfeited or surrendered shares and shall (if he has not done so already) surrender to the Company for cancellation the certificate for the shares forfeited or surrendered. Notwithstanding the forfeiture or the surrender such member shall remain liable to pay to the Company all monies which at the date of forfeiture or surrender were presently payable by him in respect of those shares with interest thereon at the rate at which interest was payable before the forfeiture or surrender or at such rate as the Directors may determine from the date of forfeiture or surrender until payment, provided that the Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or for any consideration received on their disposal.

2.15 Inspection of register of members

The register of members and any overseas branch register of members as the case may be, shall be open to inspection by the members and other persons in accordance with the Jersey Companies Law. Subject to applicable law, the register of members including any overseas or local or other branch register of members may, after notice has been given by advertisement in an appointed newspaper or any other newspapers in accordance with the requirements of the Designated Stock Exchange, be closed at such times or for such periods not exceeding in the whole 30 days in each year as the Directors may determine and either generally or in respect of any class of shares. The period of 30 days may be subsequently extended in respect of any year in relation to the register of members by an ordinary resolution passed at a general meeting of the Company in that year, provided that the said period shall not be extended beyond 60 days in any year. The Company shall, on demand, furnish any person seeking to inspect the register of members or part of the register of members which is closed with a certificate under the hand of the secretary stating the period for which, and by whose authority, it is closed.

2.16 Quorum for meetings and separate class meetings

- (a) No business shall be transacted at any general meeting except the adjournment of the meeting unless a quorum of members is present at the time when the meeting proceeds to business. Such quorum shall consist of not less than two members present together holding not less than 50% of the total voting rights of the members but so that not less than two individuals will constitute the quorum.

- (b) To every separate meeting of the holders of a class of shares all the provisions of the Articles and of the Jersey Companies Law relating to general meetings of the Company or to the proceedings thereat shall apply mutatis mutandis except that the necessary quorum shall be two persons holding or representing at least one-third in nominal amount of the issued shares of that class but so that if at any adjourned meeting of such holders a quorum as above defined is not present those holders who are present shall be a quorum.

2.17 Rights of the minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of the Company under Jersey law, as summarised in section C.

2.18 Procedures on liquidation

- (a) Subject to any particular rights or limitations for the time being attached to any shares as may be specified in the Articles or upon which such shares may be issued if the Company is wound up, the assets available for distribution among the members shall be applied first in repaying to the members the amount paid up on their shares respectively and if such assets shall be more than sufficient to repay to the members the whole amount paid up on their shares the balance shall be distributed among the members in proportion to the amount which at the time of the commencement of the winding up had been actually paid up on their said shares respectively.
- (b) If the Company is wound up, the Company may with the sanction of a special resolution and any other sanction required by the Jersey Companies Law divide the whole or any part of the assets of the Company among the members in specie and the liquidator or where there is no liquidator the Directors may for that purpose value any assets and determine how the division shall be carried out as between the members or different classes of members and with the like sanction vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator or the Directors (as the case may be) with the like sanction determine but no member shall be compelled to accept any assets upon which there is a liability.

2.19 Other provisions material to the Company or its shareholders

(a) Alteration of share capital

- (i) The Company may by special resolution:
 - (A) increase its share capital by such sum to be divided into shares of such amount and in such currency or currencies as the resolution prescribes;
 - (B) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

- (C) convert all or any of its fully paid shares into stock, and reconvert that stock into fully paid shares of any denomination;
 - (D) subject to the provisions of the Jersey Companies Law, sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others;
 - (E) subject to the provisions of the Jersey Companies Law convert or denominate any of its shares the nominal value of which is expressed in one currency into shares of a nominal value of another currency; and
 - (F) cancel 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 share capital by the amount of the shares so cancelled.
- (ii) Any new shares created on an increase or other alteration of share capital shall be issued upon such terms and conditions as the Company may by ordinary resolution determine.
 - (iii) Subject to the provisions of the Jersey Companies Law, the Company may by special resolution reduce its share capital and its share premium account in any way.

(b) *Lien*

- (i) The Company shall have a first and paramount lien on every share (not being a fully paid share) for all monies (whether presently payable or not) called or payable at a fixed time in respect of that share and the Company shall also have a first and paramount lien on all shares (other than fully paid shares) registered in the name of a single member for all the debts and liabilities of such member or his estate to the Company whether the period for the payment or discharge of the same shall have actually commenced or not and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person whether a member or not. The Company's lien (if any) on a share shall extend to all dividends or other monies payable thereon or in respect thereof. The Directors may resolve that any share shall for such period as they think fit be exempt from such provisions.
- (ii) The Company may sell in such manner as the Directors think fit any shares on which the Company has a lien but no sale shall be made unless the monies in respect of which such lien exists or some part thereof are or is presently payable nor until fourteen clear days have expired after a notice stating and demanding payment of the monies presently payable and giving notice of intention to sell in default shall have been served on the holder for the time being of the shares or the person entitled thereto by reason of the death, bankruptcy or incapacity of such holder.

- (iii) The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability in respect of which the lien exists so far as the same is presently payable and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale.

(c) *Untraceable members*

- (i) Subject to the Companies (Uncertificated Securities) (Amendment No. 2) (Jersey) Order 1999, as amended, the Company shall have the power to sell, in such manner as the Directors think fit, any shares of a member who is untraceable, but no such sale shall be made unless:
 - (A) all cheques or warrants in respect of dividends of the shares in question, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period (which is the period commencing twelve years before the date of publication of the advertisement referred to at (C) below and ending at the expiry of the period referred to at (C) below) in the manner authorised by the Articles have remained uncashed;
 - (B) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and
 - (C) the Company, if so required by the Listing Rules has given notice to, and caused advertisement in newspapers in accordance with the requirements of, the Designated Stock Exchange to be made of its intention to sell such shares in the manner required by the Designated Stock Exchange, and a period of three months or such shorter period as may be allowed by the Designated Stock Exchange has elapsed since the date of such advertisement.
- (ii) The net proceeds of the sale will belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any such sale shall be valid and effective notwithstanding that the member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.

(d) Capitalisation of profits

The Directors may with the authority of an ordinary resolution of the Company:

- (i) subject as provided below, resolve that it is desirable to capitalise any undistributed profits of the Company (including profits carried and standing to any reserve or reserves) not required for paying any fixed dividends on any shares entitled to fixed preferential dividends with or without further participation in profits or to capitalise any sum carried to reserve as a result of the sale or revaluation of the assets of the Company (other than goodwill) or any part thereof or to capitalise any sum standing to the credit of the Company's share premium account or capital redemption reserve fund;
- (ii) appropriate the profits or sum resolved to be capitalised to the members in the proportion in which such profits or sum would have been divisible amongst them had the same been applicable and had been applied in paying dividends and to apply such profits or sum on their behalf either in or towards paying up any amount for the time being unpaid on any shares held by such members respectively or in paying up in full either at par or at such premium as the said resolution may provide any unissued shares or debentures of the Company such shares or debentures to be allotted and distributed credited as fully paid up to and amongst such members in the proportions aforesaid or partly in one way and partly in the other provided that the share premium account and the capital redemption reserve fund and any unrealised profits may for these purposes only be applied in the paying up of unissued shares to be allotted to members credited as fully paid up;
- (iii) make all appropriations and applications of the profits or sum resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures if any and generally shall do all acts and things required to give effect thereto with full power to the Directors to make such provision by the issue of certificates representing part of a shareholding or fractions of shares or by payments in cash or otherwise as they think fit in the case of shares or debentures becoming distributable in fractions; and
- (iv) authorise any person to enter on behalf of all the members entitled to the benefit of such appropriations and applications into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of any further shares or debentures to which they may be entitled upon such capitalisation and any agreement made under such authority shall be effective and binding on all such members.

(e) *Indemnity of directors*

- (i) In so far as the Jersey Companies Law allows, every present or former director, secretary or liquidator of the Company shall be indemnified out of the assets of the Company against any loss or liability incurred by him by reason of being or having been such an individual.
- (ii) The Directors may without sanction of the Company in general meeting authorise the purchase or maintenance by the Company for any such individual or former individual of any such insurance as is permitted by the Jersey Companies Law in respect of any liability which would otherwise attach to such individual or former individual.

(f) *Director's qualification shares*

A director need not be a member of the Company.

(g) *Corporate members*

If a clearing house (or its nominee(s)), being a corporation, is a member, it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares in the Company held by the clearing house (or its nominee(s)) including the right to vote individually on a show of hands.