

# Articles of Association

of

**THE SCOTTISH SALMON COMPANY PLC**

---

---

## INDEX

### Article

1. Interpretation
2. Capital
3. Modification of Rights
4. Shares
5. Lien
6. Calls on Shares
7. Interests in Shares
8. Transfer of Shares
9. Transmission of Shares
10. Forfeiture of Shares
11. General Meetings
12. Proceedings at General Meeting
13. Votes of Members
14. Corporations Acting by Representatives at Meetings
15. Appointment of Directors
16. Resignation, Disqualification, Removal and Retirement of Directors
17. Alternate Directors
18. Executive Directors
19. Powers of Directors
20. Matters Requiring Consent of Shareholders
21. Proceedings of Directors
22. Directors Conflicts of Interest
23. Seal
24. Secretary
25. Distributions and Reserve
26. Capitalisation of Reserves etc.
27. Accounts and Auditors
28. Untraced Shareholders
29. Borrowing Powers
30. Notices
31. Winding up
32. Indemnity

**COMPANIES (JERSEY) LAW 1991**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**- OF -**

**THE SCOTTISH SALMON COMPANY PLC**

**1. INTERPRETATION**

(1) The Standard Table shall be excluded from application in its entirety to the Company and the following provisions shall constitute the articles of the Company in place of the Standard Table.

(2) In these articles unless the context otherwise requires:

"address" in relation to Electronic Communications, includes any number or address used for the purposes of Electronic Communications;

"Affiliate" of any person means any other person that directly or through one or more intermediaries, Controls, is Controlled by, or is under common Control with such person;

"AIM" means an international market for smaller and growing companies operated by the London Stock Exchange plc;

"Auditors" means the auditors for the time being of the Company appointed in accordance with article 26 hereof;

"Business" means the production, refinement, sale and distribution of seafood and goods used in seafood production, either directly or through participation in other companies and including other activities related thereto;

"Business Plan" meaning a business plan prepared or procured to be prepared in advance of the commencement of each financial year, which shall as a minimum include a consolidated budget for that financial year (including, for the avoidance of doubt, cash flow statements, profit and loss account, balance sheet and capital expenditure proposals) for the Group;

"Company" means The Scottish Salmon Company PLC;

"Control" (including with correlative meaning the terms "**Controlled by**" and "**under common control with**") means the possession, direct or through one or more intermediaries or together with persons acting in concert, of the power to direct or cause the direction of the management or policies of any person and, without limitation, for the purposes of these Articles, an interest in shares in the capital of a company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in the capital of that company shall be deemed to confer control of that company;

"debenture" includes debenture stock;

"Directors" means the directors for the time being of the Company;

"Electronic Communication" has the meaning given in the Electronic Communications (Jersey) Law 2000;

"Group" means the Company and any subsidiary or Affiliate of the Company from time to time;

"Interpretation Law" means the Interpretation (Jersey) Law 1954 and any statutory modification or re-enactment thereof for the time being in force;

"Jersey Regulations" means the Companies (Uncertificated Securities) (Jersey) Order 1999 (and the terms "operator's system", "authorised operator", "participating security" and "uncertificated" in these articles shall have the meanings given in the Jersey Regulations);

"Law" means the Companies (Jersey) Law 1991 and any statutory modification or re-enactment thereof for the time being in force;

"London Stock Exchange" means London Stock Exchange plc or its successor from time to time;

"Majority" means the holders of not less than fifty per cent. (50%) plus one (1) of the shares;

"month" means calendar month;

"office" means the registered office of the Company situated in the Island of Jersey;

"ordinary resolution" means a resolution passed by a majority of the members present in person or by proxy and voting at a general meeting;

"Oslo Axess" means a market place for organised trade of securities arranged by the Oslo Stock Exchange;

"Oslo Stock Exchange" means Oslo Børs ASA;

"Oslo Stock Exchange Regulations" means applicable Norwegian law regarding trading and listing of securities, including the Oslo Stock Exchange and Oslo Axess' Listing Rules and Oslo Stock Exchange Continuing Obligations;

"paid up" includes credited as paid up;

"Recognised Stock Exchange" means any regulated market (as defined in the Markets in Financial Instruments Directive (2004/39/EC));

"Register" means the register of members of the Company;

"Seal" means the common seal of the Company;

"share" means any share issued in the capital of the Company in accordance with, and having the rights set out in, these articles and "shares" shall be construed accordingly; and

"Secretary" means and includes any person appointed to perform the duties of secretary to the Company and includes an assistant or deputy secretary.

- (3) In these articles, unless the context otherwise requires:
- (a) words in the singular shall include the plural and words in the plural shall include the singular and words denoting any gender shall include all genders;
  - (b) words importing individuals shall include corporations;
  - (c) reference to enactments shall include any modification or re-enactments thereof for the time being in force;
  - (d) save as defined herein, words and expressions used in the Jersey Regulations have the same meanings when used in these articles;
  - (e) any reference to an uncertificated share, or to a share being held in uncertificated form shall mean a share in the capital of the Company which is for the time being recorded on the register of members of the Company as being held in uncertificated form, and title to which, by virtue of the Jersey Regulations, may be transferred by means of a relevant computer-based system which enable title to units of a security to be evidenced and transferred without a written instrument, and any reference to a certificated share, or to a share being held in certificated form, shall mean any share other than an uncertificated share; and
  - (f) save as defined herein or in the memorandum of the Company and unless the context otherwise requires words or expressions contained in these articles shall bear the same meaning as in the Law and in the Interpretation Law.
- (4) For the purposes of these articles:
- (a) references to "writing" include references to the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods (including, without limitation, by Electronic Communication) and "written" shall be construed accordingly;
  - (b) references to a document being "signed" or "executed" include references to it being executed under hand or under seal or, in the case of an Electronic Communication, by electronic signature (as defined in Article (1) of the Electronic Communications (Jersey) Law 2000), and "signature" shall be construed accordingly;
  - (c) references to an "instrument" mean a written document in tangible form and not comprised in an Electronic Communication;
  - (d) references to sending to any persons printed copies and references to documents being deposited at or delivered to an address include references to using Electronic Communications for sending those copies or documents to such address as may for the time being be notified to the Company by that person for that purpose. Copies of those documents are also to be treated as sent to a person where:
    - (i) the Company and that person have agreed to that person having access to the documents on a web site (instead of their being sent to such person);

- (ii) the documents are documents to which that agreement applies; and
    - (iii) that person is notified, in a manner for the time being agreed for the purpose between such person and the Company, of:
      - (1) the publication of the documents on a web site;
      - (2) the address of that web site; and
      - (3) the place on that web site where the documents may be accessed, and how they may be accessed;
  - (e) documents treated as sent to any person pursuant to article 1(4)(d) are to be treated as sent to such person not less than 21 days before the date of a meeting if, and only if:
    - (i) the documents are published on the web site throughout a period beginning at least 21 days before the date of the meeting and ending with the commencement of the meeting; and
    - (ii) the notification given for the purposes of article 1(4)(d)(iii) is given not less than 21 days before the date of the meeting; and
  - (f) nothing in these articles shall invalidate the proceedings of a meeting where:
    - (i) any documents that are required to be published as mentioned in article 1(4)(e) are published for a part, but not all, of the period mentioned in that paragraph; and
    - (ii) the failure to publish those documents throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.
- (5) In these articles headings are inserted for convenience only and do not affect the construction of these articles.

## 2. CAPITAL

- (1) Without prejudice to any special rights for the time being conferred on the holders of any shares or class of shares (which special rights shall not be varied or abrogated except with such consent or sanction as is hereinafter provided) any share or class of shares in the share capital of the Company may be authorised for issue with such preferred, deferred or other special rights or such restrictions whether in regard to dividend return of capital voting or otherwise as the Company may from time to time by special resolution determine.
- (2) Where the Company allots shares at a premium the aggregate amount of all premiums on shares allotted as and when the premiums are paid up shall be transferred to an account called the share premium account which may be applied for any of the purposes permitted by and under the provisions of the Law.
- (3) The Company may by special resolution alter its share capital as stated in its memorandum in any of the ways permitted or provided for under the Law.
- (4) The Company may reduce its share capital in accordance with and to the fullest extent permitted by the Law.

(5) The Company may from time to time subject to the provisions of the Law and to any special rights for the time being attached to any existing shares:

(a) issue; or

(b) convert existing non-redeemable shares whether issued or not into

shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder thereof.

(6) The Company may from time to time subject to the provisions of the Law purchase its own shares (including any redeemable shares) in any manner authorised by the Law and with and subject to all prior authorities of the Company in general meeting as specified under the Law provided that in the event that the Company shall purchase any shares which are admitted to listing or trading on any investment exchange such purchases shall be made in accordance with any relevant restrictions imposed by any such listing authority or exchange.

### 3. MODIFICATION OF RIGHTS

(1) Subject to the provisions of the Law whenever the share capital of the Company is divided into different classes of shares in the Company the special rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied or abrogated at any time with the consent in writing of the holders of two-thirds of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of these articles relating to general meetings of the Company or to the proceedings thereat shall *mutatis mutandis* apply except that the necessary quorum shall be persons holding or representing by proxy 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 one person present holding shares of that class or his proxy shall be a quorum) and that the holders of shares of that class or their duly appointed proxies shall on a poll have one vote in respect of every share of that class held by them respectively.

(2) The special rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other special rights shall (unless otherwise expressly provided by the conditions of issue of such shares) be deemed not to be varied by the redemption or purchase of any share in accordance with the Law or the creation or issue of further shares ranking *pari passu* therewith (save as to the date from which such new shares shall rank for dividend).

(3) The rights attached to any class of shares shall not be deemed to be varied by any securities in the capital of the Company becoming, or ceasing to be, a participating security.

(4) A class of shares in the capital of the Company will not be treated as separate classes of shares by virtue of comprising, becoming, or by ceasing to be, uncertificated shares and/or certificated shares and/or participating securities.

### 4. SHARES

(1) The shares shall be at the disposal of the Directors who may, subject to the provisions of the Law and these articles allot, grant options over, or otherwise deal with or dispose of them to such persons at such times and generally on such terms and conditions as they

think proper. Where permitted by the Law fractions of shares may be issued (in particular, but without limitation, in the event that a fraction of a share is purchased as a result of any alteration of the share capital of the Company made in pursuance Article 38 of the Law). Save as provided in the Law each share in the Company shall be distinguished by its appropriate number.

- (2) The Company may pay a commission to a person in consideration of his subscribing or agreeing to subscribe for shares in the Company or procuring or agreeing to procure subscriptions for shares in the Company as provided in the Law.
- (3) The Company shall keep a Register in accordance with the provisions of the Law.
- (4) Unless the conditions of allotment shall otherwise provide or the Directors have determined that the relevant class of shares shall be issued in or converted into uncertificated form pursuant to the provisions of the Jersey Regulations, every person whose name is entered as a member in the Register shall be entitled without payment to a certificate under the Seal specifying the share or shares held by him and the amount paid up thereon 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 and certificates shall be completed and be ready for delivery within two months after the allotment of the relevant shares or the date on which a transfer is lodged with the Company.
- (5) If a share certificate is worn out defaced lost or destroyed a duplicate certificate may be issued on payment of such fee (if any) not exceeding ten pounds and on such terms (if any) as to evidence and indemnity as the Directors think fit.

## 5. LIEN

- (1) The Company shall have a lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share and the Company shall also have a lien on all shares (other than fully paid shares) standing registered in the name of a single person for all moneys presently payable by him or his estate to the Company but the Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this article. The Company's lien (if any) on a share shall extend to all dividends payable thereon.
- (2) 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 some sum in respect of which the lien exists is payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share or the person entitled by reason of his death or bankruptcy to the share. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer to the purchaser thereof the shares so sold.
- (3) The proceeds of sale shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale. The purchaser shall be registered as the holder of the shares and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

## 6. CALLS ON SHARES

- (1) Subject to the terms of allotment the Directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice 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 part and payment of a call may be postponed in whole or 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.
- (2) A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed and proof of the resolution shall be sufficient evidence of the call having been made.
- (3) The joint holders of a share shall be jointly and severally liable to pay all calls and other moneys due in respect thereof.
- (4) 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 shall pay interest upon the sum at a rate fixed by the Directors from the day appointed for the payment thereof to the time of the actual payment but the Directors shall be at liberty to waive the payment of that interest wholly or in part.
- (5) Any sum or premium which by the terms of allotment of a share is made payable upon allotment or at any fixed date shall for all the purposes of these articles (save as herein otherwise expressly provided) be deemed to be a call duly made and payable on the date fixed for payment and in case of non-payment the provisions of these articles as to payment of interest and expenses forfeiture and the like and all other relevant provisions of these articles shall apply as if the same were a call duly made and notified as hereby provided.
- (6) The provisions of these articles as to payment of interest shall apply in the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time whether on account of the amount of the share or by way of premium as if the same had become payable by virtue of a call duly made and notified.
- (7) The Company may if the Directors think fit receive from any member willing to advance the same all or any part of the money uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until the same would but for such advance become presently payable) pay interest at such rate (not exceeding without the sanction of the Company in general meeting ten per centum per annum) as may be agreed upon between the member paying the sum in advance and the Directors.

## 7. INTERESTS IN SHARES

- (1) The Directors shall have power by notice in writing to require any shareholder to disclose to the Company the identity of any person (an "**interested party**") who has any interest in the shares held by the shareholder and the nature of such interest.
- (2) Any such notice shall require any information in response to such notice to be given in writing within such reasonable time as the Directors shall determine.
- (3) The Company shall maintain a register of interested parties to which the provisions of Articles 41 and 71 of the Law shall apply mutatis mutandis and whenever in pursuance of

a requirement imposed on a shareholder as aforesaid the Company is informed of an interested party the identity of the interested party and the nature of the interest shall be promptly inscribed therein together with the date of the request.

- (4) The Directors may be required to exercise their powers under article 7(1) on the requisition of members of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as carries at that date the right of voting at general meetings of the Company.
- (5) The requisition referred to in article 7(4) above must:-
  - (i) state that the requisitionists are requiring the Company to exercise its powers under article 7(4);
  - (ii) specify the manner in which they require those powers to be exercised; and
  - (iii) give reasonable grounds for requiring the Company to exercise those powers in the manner specified,

and must be signed by the requisitionists and deposited at the office. The requisition may consist of several documents in like form each signed by one or more requisitionists. On the deposit of a requisition complying with this article 7(5), it shall be Directors' duty to exercise their powers under article 7(1) in the manner specified in the requisition.

- (6) If any member has been duly served with a notice given by the Directors in accordance with article 7(1) and is in default for the prescribed period in supplying to the Company the information thereby required, then the Directors may in their absolute discretion at any time thereafter serve a notice (a "**direction notice**") upon such member as follows:
  - (a) a direction notice may direct that, in respect of:
    - (i) the shares of the relevant shareholder recorded in the Register which comprise or include the shares in relation to which the default has occurred (all or the relevant number as appropriate of such shares being the "**default shares**"); and
    - (ii) any other shares held by the member;the member shall not be entitled to vote at a general meeting or meeting of the holders of any class of shares of the Company either personally or by a duly authorised representative (if a corporation) or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company or of the holders of any class of shares of the Company; and
  - (b) where the default shares represent at least 0.25 per cent of the issued shares of the class of shares concerned, then the direction notice may additionally direct that:
    - (i) in respect of the default shares, any dividend or part thereof or other money which would otherwise be payable on such shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the member;

- (ii) no transfer (other than an approved transfer as set out in article 7(9)(c) of these articles) of any of the shares held by such member shall be registered unless:
    - (1) the member is not himself in default as regards supplying the information requested; and
    - (2) the transfer is of part only of the member's holding and when presented for registration is accompanied by a certificate by the member in a form satisfactory to the Directors to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.
  - (c) The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but the failure or omission by the Company to do so shall not invalidate such notice.
- (7) If shares are issued to a member as a result of that member holding other shares in the Company and if the shares in respect of which the new shares are issued are default shares in respect of which the member is for the time being subject to particular restrictions, the new shares shall on issue become subject to the same restrictions whilst held by that member as such default shares. For this purpose, shares which the Company procures to be offered to members pro rata shall be treated as shares issued as a result of a member holding other shares in the Company.
- (8) Any direction notice shall have effect in accordance with its terms for as long as the default, in respect of which the direction notice was issued, continues but shall cease to have effect in relation to any shares which are transferred by such member by means of an approved transfer as set out in article 7(9)(c). As soon as practical after the direction notice has ceased to have effect (and in any event within 7 days thereafter) the Directors shall procure that the restrictions imposed by articles 7(6) and 7(7) above shall be removed and that dividends and other moneys withheld pursuant to article 7(6)(b)(i) above are paid to the relevant member.
- (9) For the purpose of articles 7(1) to 7(7):
  - (a) a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification which either (a) names such person as being so interested or (b) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;
  - (b) the prescribed period referred to in article 7(6) in respect of any particular member is 28 days from the date of service of the said notice in accordance with article 7(1) except where the default shares represent at least 0.25 per cent of the issued shares of the class of shares concerned in which case the prescribed period shall be 14 days;
  - (c) a transfer of shares is an approved transfer if but only if:

- (i) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a takeover offer (within the meaning of Article 116 of the Law) in respect of shares in the Company; or
- (ii) the Directors are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a party unconnected with the member and with other persons appearing to be interested in such shares; or
- (iii) the transfer results from a sale made through a stock exchange on which the Company's shares are normally traded.

For the above purposes any person referred to in article 7(9) shall, *mutatis mutandis*, be included amongst the persons who are connected to any person appearing to be interested in such shares.

- (10) Any shareholder who has given notice of an interested party in accordance with article 7(2) who subsequently ceases to have any party interested in his shares or has any other person interested in his shares shall notify the Company in writing of the cessation or change in such interest and the Directors shall promptly amend the register of interested parties accordingly.
- (11) For the purposes of article 7(9)(c), the term "connected person" shall have the meaning assigned to it in Article 3A of the Income Tax (Jersey) Law 1961, as amended

## 8. TRANSFER OF SHARES

- (1) The Company may permit the holding in uncertificated form of one or more classes of shares determined by the Directors for this purpose in order that the transfer of title to any such shares may be effected by means of a computer system in accordance with the Jersey Regulations and the rules of the Oslo Stock Exchange and Oslo Axess **PROVIDED THAT** the Register shall be held in Jersey pursuant to articles 41 and 44 of the Law and further provided that the Company shall enter on the Register the number of shares which are held by each member in uncertificated form and in certificated form and shall maintain the Register in each case as is required by the Jersey Regulations and the relevant system.
- (2) Unless and until the Directors determine that one or more classes of share may be held in uncertificated form, the shares shall be issued in certificated form and all the provisions of these articles relating to the issue, holding and surrender of certificates and transfer and transmission of certificated shares shall apply to the same. All of such provisions shall also apply to any shares of a class which the Directors have determined may be held in uncertificated form but where with the approval of the Directors the holder of the relevant shares has notified his wish to hold the relevant holding of shares in registered certificated form.
- (3) Without prejudice to article 8(1) and (2) above the Directors shall have power to implement such arrangements as they may in their absolute discretion think fit in order for any class of shares to be a participating security (subject always to the Jersey Regulations and the facilities and requirements of the relevant system concerned). Where they do so, and subject to the Law:
  - (a) these articles shall be construed accordingly and shall be deemed to be modified, amended or extended to the extent necessary to ensure that the same are consistent with the provisions of the Jersey Regulations to permit the holding of

shares of the relevant classes in uncertificated form and the transfer of title to shares of the relevant classes by means of a computer system; and

- (b) the following provisions of this article shall commence to have effect immediately prior to the time at which the authorised operator of the relevant system concerned permits the class of shares concerned to be a participating security.
- (4) Notwithstanding anything in these articles to the contrary, any shares in the Company may be issued, held, registered, converted to, transferred or otherwise dealt with in uncertificated form and converted from uncertificated form to certificated form in accordance with the Jersey Regulations and practices instituted by the operator of the relevant system. Any provisions of these articles shall not apply to any uncertificated shares to the extent that such provisions are inconsistent with:
- (a) the holding of shares of that class in uncertificated form;
  - (b) the transfer of title of shares of that class by means of a relevant system;
  - (c) the Jersey Regulations; or
  - (d) the Oslo Stock Exchange Regulations.
- (5) Without prejudice to the generality of article 8(4) and notwithstanding anything contained in these articles, where any class of shares is, for the time being, a participating security (such class being referred to hereinafter as the "**Relevant Class**"):
- (a) shares of the Relevant Class may be issued in uncertificated form in accordance with and subject as provided in the Jersey Regulations;
  - (b) without prejudice to articles 3(3) and (4), unless the Directors otherwise determine, shares of the Relevant Class held by the same holder or joint holder in certificated form and uncertificated form shall be treated as separate holdings;
  - (c) shares of the Relevant Class may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the Jersey Regulations;
  - (d) title of shares of the Relevant Class which are recorded on the Register as being held in uncertificated form may be transferred by means of the relevant system concerned and accordingly (and in particular but without limitation) article 8(6) shall not apply in respect of such shares to the extent that such article requires or contemplates the effecting of a transfer by an instrument in writing and the production of a certificate for the share to be transferred.

No other provision of these articles shall apply so as to require the Company to issue a certificate to any person holding shares of the Relevant Class in uncertificated form.

- (6) Subject to the foregoing any instrument of transfer of a share shall be in writing in any form which the Directors may approve (which shall specify the full name and address of the transferee) and shall be signed by or on behalf of the transferor (and, in the case of any partly paid share, the transferee) or without a written instrument (subject to the class of shares becoming a participating security) through a relevant system.

- (7) The Directors may in their absolute discretion refuse to register any transfer of any share (whether fully paid or not). Without prejudice to the generality of the foregoing, the Directors may refuse to register a transfer unless the transfer instrument:
- (a) is in respect of a share which is fully paid up;
  - (b) is left at the office, or at such other place as the Directors may decide, for registration;
  - (c) is accompanied by the certificate for the shares to be transferred (if the shares are held in certificated form) and such other evidence (if any) as the Directors may reasonably require to prove the title of the intending transferor or his right to transfer the shares;
  - (d) is duly stamped (if so required);
  - (e) is in respect of only one class of shares;
  - (f) is in favour of not more than four transferees jointly;
  - (g) is not in favour of a minor, infant, bankrupt or person with a mental disorder.
- (8) The Directors shall not refuse to register any transfer of shares which are traded on the Oslo Stock Exchange or Oslo Axess in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.
- (9) The Directors may refuse to register a transfer if in their opinion (and with the concurrence of the Oslo Stock Exchange or Oslo Axess or such other competent authority) exceptional circumstances so warrant.
- (10) The Directors are required to register a transfer of an uncertificated share in accordance with the Jersey Regulations, and may refuse to register the transfer of any uncertificated share in accordance with the Jersey Regulations.
- (11) If the Directors decline to register a transfer of any share, they shall, as soon as reasonably practicable and in any event, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.
- (12) 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, either generally or otherwise, for more than 30 days in any year.
- (13) No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.
- (14) The Company shall be entitled to retain any instrument of transfer of any share which is registered, but any instrument of transfer of any share which the Directors refuse to register (except in the case of fraud) shall be returned to the person lodging it when notice of the refusal is given.
- (15) The transferor of a share shall be deemed to remain the holder of the share until the name of the transferee of the share is entered in the Register in respect thereof.
- (16) If it shall come to the notice of the Company that any shares are owned directly or beneficially either by any person in breach these articles or of any law or requirement of

any country or governmental authority or by virtue of which any person who shall belong to or be comprised within any class of persons from time to time for the purposes of this article stipulated by the Directors then the Company may give notice to such person requiring him to transfer such shares to a person who is qualified or entitled to own the same. If any person upon whom such a notice is served pursuant to this paragraph does not within thirty days after service of such notice transfer his shares to a person qualified or permitted to own the same or establish to the satisfaction of the Company (whose judgment shall be final and binding) that he is qualified entitled and permitted to own the shares he shall be deemed upon the expiration of thirty days to have given a request complying with the transfer provisions in these articles for the transfer of his shares to such person upon such terms as may be determined by the Directors.

## 9. TRANSMISSION OF SHARES

- (1) If a member dies, the survivor or survivors, where the deceased was a joint holder, and the executors, administrators or other legal personal representatives of the deceased, where the deceased was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to the interest of the deceased in the shares; but nothing herein contained shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.
- (2) A minor or an interdict may not become a member of the Company unless the shares were transmitted to him on the death of the holder thereof.
- (3) Any guardian of a minor member and any curator appointed by the Royal Court or other person appointed by a court of competent jurisdiction to administer to the affairs of any member of unsound mind, and any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the Directors may properly require, elect either to become the registered holder of the share or to have some person nominated by him registered as the holder thereof. If he elects to become the holder he shall give notice to the Company to that effect. Subject to article 9(4) which shall apply in respect of any share in uncertificated form, if he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the limitations restrictions and provisions of these articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member and as if the member had been a person of full age or not of unsound mind or as if the death or bankruptcy of the member had not occurred.
- (4) A person entitled by transmission to a share in uncertificated form who elects to have some other person registered shall either:
  - (a) procure that instructions are given by means of the relevant system to effect transfer of such uncertificated share to that person; or
  - (b) change that uncertificated share to certificated form and execute an instrument of transfer of that certificated share to that person.
- (5) A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as the holder thereof, be entitled in respect of the share to vote at any meeting of the Company or at any separate meeting of the holders of any class of shares in the Company. The Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share. If the notice is not complied with within 60

days, the Directors may thereafter withhold payment of all dividends and other moneys payable in respect of such share until the requirements of the notice have been complied with.

## 10. FORFEITURE OF SHARES

- (1) If a member fails to pay any call or instalment of a call on the day appointed for payment thereof the Company 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 expenses that may have been incurred by reason of such non-payment.
- (2) The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made and shall state that in the event of non-payment at or before the time and at the place appointed the shares in respect of which the call or instalment is unpaid will be liable to be forfeited.
- (3) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given (along with any dividends declared or moneys payable in respect of the share and not paid before the forfeiture) may at any time thereafter before the payment required by the notice has been made be forfeited by a resolution of the Directors to that effect.
- (4) Any share forfeited shall become the property of the Company and may be re-allotted sold or otherwise disposed of on such terms and in such manner as the Directors think fit and notwithstanding any such forfeiture as aforesaid the Directors may at any time before the forfeited share has been disposed of permit the share so forfeited to be redeemed upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share and upon such further terms (if any) as they shall think fit. The Directors may if necessary authorise some person to transfer a forfeited share to the purchaser thereof.
- (5) A record in the minute book of the Company to the effect that a share has been duly forfeited in pursuance of these articles and stating the time when it was forfeited shall as against all persons claiming to be entitled to the share adversely to the forfeiture thereof be conclusive evidence of the facts therein stated and such record together with a certificate of proprietorship of the share under the Seal delivered to the purchaser or allottee thereof shall constitute a good title to the share and the new holder thereof shall be discharged from all calls made prior to such purchase or allotment and shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by any past omission or irregularity relating to or connected with the proceedings in reference to the forfeiture re-allotment sale or other disposal of the share.
- (6) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall notwithstanding remain liable to pay to the Company all moneys which at the date of the forfeiture were presently payable to the Company by him in respect of the shares.
- (7) The provisions of these articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time whether on account of the amount of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.
- (8) Where the Company is entitled under any provisions of the Law or the rules made and practices instituted by the operator of any relevant system or under these articles to

dispose of, forfeit, enforce a lien or sell or otherwise procure the sale of any shares which are held in uncertificated form, such entitlement (to the extent permitted by the Jersey Regulations and the rules made and practices instituted by the operator of the relevant system) shall include the right to:

- (a) request or require the deletion of any computer-based entries in the relevant system relating to the holding of such shares in uncertificated form; and/or
- (b) require any holder of any uncertificated shares which are the subject of any exercise by the Company of any such entitlement, by notice in writing to the holder concerned, to change his holding of such uncertificated shares into certificated form within such period as may be specified in the notice, prior to completion of any disposal, sale or transfer of such shares or direct the holder to take such steps, by instructions given by means of a relevant system or otherwise, as may be necessary to sell or transfer such shares; and/or
- (c) appoint any person to take such other steps, by instruction given by means of a relevant system or otherwise, in the name of the holder of such shares as may be required to effect a transfer of such shares and such steps shall be as effective as if they had been taken by the registered holder of the uncertificated shares concerned; and/or
- (d) transfer any uncertificated shares which are the subject of any exercise by the Company of any such entitlement by entering the name of the transferee in the Register in respect of that share as a transferred share; and/or
- (e) otherwise rectify or change the Register in respect of that share in such manner as may be appropriate; and/or
- (f) take such other action as may be necessary to enable those shares to be registered in the name of the person to whom the shares have been sold or disposed of or as directed by him.

## 11. GENERAL MEETINGS

- (1) The Company shall hold a general meeting as its annual general meeting once in every calendar year at such time and such place as may be determined by the Directors and so that not more than eighteen months shall be allowed to elapse between any two such general meetings provided that so long as the Company holds its first annual general meeting within eighteen months of its incorporation it need not hold it in the year of its incorporation or in the following year.
- (2) The above mentioned general meeting shall be called the "Annual General Meeting". All other general meetings shall be called "Extraordinary General Meetings".
- (3) The Directors may whenever they think fit convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on a requisition made in accordance with the Law in writing and signed by members holding in the aggregate not less than one-tenth in nominal value of the shares carrying the right to vote at the meeting. If at any time there are not sufficient Directors capable of acting to form a quorum any Director or any member of the Company may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

## 12. PROCEEDINGS AT GENERAL MEETINGS

- (1) Twenty one days' notice at least of any general meeting (exclusive of the day on which the notice is deemed to be served and the day for which notice is given) specifying the place the day and the hour of the meeting and the general nature of the business to be transacted shall be given in the manner hereinafter mentioned or in such other manner (if any) as may be prescribed by the Company in general meeting to such persons as are under the articles entitled to receive such notices from the Company but the non-receipt of the notice by any such persons shall not invalidate the proceedings at any general meeting. With the consent of all the members for the time being entitled to be present and to vote at an Annual General Meeting such meeting may be convened on a shorter notice than twenty one days and in the case of any other general meeting with the consent of a majority in number of the members entitled to attend and vote thereat such majority together holding not less than 95 per cent of the total voting rights of the members of the Company who have the right to attend and vote thereat such meeting may be convened on a shorter notice than twenty one days.
- (2) Notice of every general meeting shall be given in accordance with the provisions of article 29 hereof, but 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 the meeting.
- (3) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a body corporate, shall be a quorum provided that if at any time all of the issued shares in the Company are held by a holding company or by a nominee for a holding company, such single member present in person by duly authorised representative of a body corporate or by proxy shall constitute a quorum.
- (4) Any member may participate in a general meeting by means of a conference telephone or similar communications equipment whereby all the members participating in the general meeting can hear each other and the members participating in this manner shall be deemed to be present in person at such meeting for all the purposes of these articles.
- (5) If within half-an-hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to the place time and day in the next week to be appointed by the chairman or if no place time and day is so appointed to the same day in the next week at the same time and place and if at the adjourned meeting a quorum as above defined is not present within half-an-hour from the time appointed for the meeting one member present or his proxy shall constitute a quorum.
- (6) The chairman (if any) of the Directors shall preside as chairman at every general meeting of the Company or if there is no such chairman or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act the Directors present shall elect one of their number to be chairman of the meeting.
- (7) If at any meeting no Director is willing to act as chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting the members present shall choose one of their number to be chairman of the meeting.
- (8) The chairman may with the consent of any meeting at which a quorum is present adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more notice of the adjourned meeting shall be given as in the case of an original

meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

- (9) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) decided upon by the chairman or demanded by at least five members having the right to vote on the question or by any member or members representing at least one-tenth of the total voting rights of all members having a right to vote on the question and unless a poll is so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minutes of the proceedings of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- (10) A resolution in writing signed by all the members of the Company for the time being entitled to receive notice of and to attend and vote at general meetings or their duly appointed attorneys shall be as valid and effectual as if it had been passed at a meeting of the members duly convened and held. Any such resolution may consist of several documents in the like form signed by one or more of the members or their attorneys and signature in the case of a corporate body which is a member shall be sufficient if made by a director thereof or its duly appointed attorney.
- (11) If a poll is duly demanded it shall be taken in such manner as the chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- (12) In the case of an equality of votes whether 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 demanded shall be entitled to a second or casting vote.
- (13) A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.
- (14) A 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.

### 13. VOTES OF MEMBERS

- (1) Without prejudice to any special rights restrictions or prohibitions as regards voting attached to any shares from time to time in accordance with these articles, on a show of hands every member present in person or by proxy or (in the case of a corporation) by duly authorised representative shall have one vote and on a poll every member shall have one vote for each share of which he is the holder. Fractions of shares will not be counted for the purpose of determining the number of votes to which a member is entitled.
- (2) In the case of joint holders unless such joint holders shall have chosen one of their number to represent them and so notified the Company in writing the vote of the most senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register.
- (3) Where a member is of unsound mind his curator appointed by the Royal Court or the person appointed by a court of competent jurisdiction to administer to his affairs may vote whether on a show of hands or on a poll and may on a poll vote by proxy.

Evidence to the satisfaction of the Directors of the authority of such curator or other person may be required by the Directors prior to any vote being exercised by such curator or other person.

- (4) 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.
- (5) On a poll votes may be given either personally or by proxy.
- (6) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under its common seal or under the hand of an officer or attorney so authorised. A proxy need not be a member of the Company.
- (7) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office or at such other place as is specified for that purpose by the notice convening the meeting not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll not less than forty-eight hours before the time appointed for taking the poll and in default the instrument of proxy shall not be treated as valid.
- (8) An instrument appointing a proxy shall be in writing and in any usual common form or in any form of which the Directors shall approve.
- (9) The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- (10) The instrument appointing a proxy shall unless it provides to the contrary be valid for any adjournment of the meeting as well as for the meeting to which it relates.
- (11) When two or more valid instruments appointing a proxy are delivered in respect of the same share for use at the same meeting, the one which was executed last shall be treated as replacing and revoking the others as regards that share. If the Company is unable to determine which was executed last, none of them shall be treated as valid in respect of that share.
- (12) A vote given or act done in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the appointor or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given unless notice in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the office before the commencement of the meeting or adjourned meeting or poll at which the vote was given or the act was done.
- (13) Subject to the Law, in relation to any shares which are held in uncertificated form, the Directors may from time to time permit appointments of a proxy to be made by means of an electronic communication in the form of an Uncertificated Proxy Instruction. The Directors may in a similar manner permit supplements to, or amendments or revocations of, any such Uncertificated Proxy Instruction to be made by like means. The Directors may in addition prescribe the method of determining the time at which any such properly authenticated dematerialised instruction (and/or other instruction or notification) is to be treated as received by the Company or such participant. Notwithstanding any other provision in these articles, the Directors may treat any such Uncertificated Proxy Instruction which purports to be or is expressed to be sent on behalf of a holder of a

share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of the holder. For the purpose of this article, "**Uncertificated Proxy Instruction**" means a properly authenticated dematerialised instructions and/or other instruction or notification, which is sent by means of the relevant system concerned and received by such participant in that system acting on behalf of the Company as the Directors may prescribe, in such form and subject to such terms and conditions as from time to time be prescribed by the Directors (subject anyways to the facilities and requirements of the relevant system concerned).

- (14) For the purpose of determining which persons are entitled to attend or vote at a meeting, and how many votes such persons may cast, the Directors may specify in the notice of the meeting a time not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the Register in order to have the right to attend or vote at the meeting. Changes to the entries on the Register after the time specified by the Directors shall be disregarded in determining the rights of any person to attend or vote at the meeting notwithstanding any provision of these articles to the contrary.

#### **14. CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS**

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

#### **15. APPOINTMENT OF DIRECTORS**

- (1) The first Directors shall be appointed in writing by the subscribers to the memorandum or a majority of them.
- (2) A Director need not be a member of the Company.
- (3) In the event that a single shareholder does not hold fifty per cent. (50%) plus (1) of the shares, the Directors shall have power at any time and from time to time to appoint subject to the provisions of the Law any person to be a Director to fill a casual vacancy.
- (4) Without prejudice to Article 15(3) every appointment of a Director shall require and be effected by notice in writing to the Company approved by a Majority.
- (5) Unless and until otherwise decided by Majority resolution, the number of Directors (other than alternate Directors) shall not be subject to any maximum but shall be not less than three.

#### **16. RESIGNATION, DISQUALIFICATION, REMOVAL AND RETIREMENT OF DIRECTORS**

- (1) A Director shall cease to hold office if he:
  - (a) ceases to be a Director by virtue of any provisions of the Law or the rules of the Oslo Stock Exchange and Oslo Axess at any time during which the shares in the Company are admitted to trading on the Oslo Stock Exchange or Oslo Axess or becomes prohibited by law from or disqualified by law from being a director; or
  - (b) resigns his office by instrument in writing under his hand left at the office; or

- (c) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - (d) is removed by Majority resolution; or
  - (e) is, or may be, suffering from mental disorder and either:
    - (i) he is admitted to hospital in pursuance of an application for admission for treatment under any relevant health legislation of any jurisdiction; or
    - (ii) an order is made by a court having jurisdiction in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs.
- (2) Without prejudice to article 16(1), a Director shall retire in accordance with the following provisions.
- (a) At each Annual General Meeting any Director who has been appointed by the Directors since the previous Annual General Meeting and any Director selected to retire by rotation pursuant to article 16(2)(d) shall retire from office.
  - (b) A retiring Director shall be eligible for re-appointment and (unless he is removed from office or his office is vacated in accordance with these articles) shall retain office until the close of the meeting at which he retires or (if earlier) when a Majority resolution is passed at that meeting not to fill the vacancy or to appoint another person in his place or the Majority resolution to re-appoint him is put to the meeting and lost.
  - (c) If at any meeting at which the appointment of a Director ought to take place the office vacated by a retiring Director is not filled, the retiring Director, if willing to act, shall be deemed to be re-appointed, unless at the meeting a Majority resolution is passed not to fill the vacancy or to appoint another person in his place or unless the Majority resolution to re-appoint him is put to the meeting and lost.
  - (d) At each Annual General Meeting one-third of the Directors (excluding any Director who has been appointed by the Directors since the previous Annual General Meeting) or, if their number is not an integral multiple of three, the number nearest to one-third but not exceeding one-third shall retire from office (but so that if there are fewer than three Directors who are subject to retirement by rotation under this article one shall retire).
  - (e) The Directors to retire by rotation at each Annual General Meeting in accordance with article 16(2)(d) shall be the Directors who, at the date of the notice of the meeting, have been longest in office since their last appointment or re-appointment, but 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.
  - (f) The name of the Directors to retire by rotation shall be stated in the notice of the Annual General Meeting or in any document accompanying the notice. The Directors to retire on each occasion (both as to number or identity) shall be determined by reference to the composition of the board at the start of business on the date of the notice convening the Annual General Meeting and no Directors shall be required to retire or be relieved from retiring by reason of any

change in the number or identity of the Directors after that time but before the close of the meeting.

**17. ALTERNATE DIRECTORS**

- (1) Any Director may at his discretion and at any time and from time to time appoint either another Director or any other person (other than a person prohibited by law from or disqualified by law or by these articles from being a director) to act as an alternate director in his place and may at his discretion remove from office an alternate director so appointed by him.
- (2) An alternate director shall (except as regards power to appoint an alternate and remuneration) be subject in all respects to the terms conditions and provisions existing with reference to the Directors and each alternate director while so acting shall exercise and discharge all the functions powers and duties as a Director of his appointor in such appointor's absence. In particular, without prejudice to the generality of the foregoing, an alternate director shall be entitled to receive the same notice of meetings of Directors and of all meetings of committees appointed pursuant to article 20 (5) hereof of which his appointor is a member as his appointor is entitled to receive and to attend and vote at any such meetings at which the Director appointing him is not personally present.
- (3) An alternate director shall ipso facto cease to hold office as such if his appointor ceases for any reason to be a Director or if and when the term of his appointment expires or if any of the circumstances described in article 16 (1) (b), (c) or (f) hereof apply to him.
- (4) Any appointment and any removal of an alternate director by his appointor shall be by notice in writing to the Company and to the alternate director signed by the Director making or revoking the appointment.

**18. EXECUTIVE DIRECTORS**

- (1) The Directors may with the written consent of a Majority, from time to time, appoint one or more of their number to the office of managing director or to any other executive office under the Company. Any such appointment may be made upon such terms and for such periods as the Directors may determine. The appointment of any Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any claim to damages for breach of any contract of service between him and the Company.
- (2) The Directors may with the written consent of a Majority, entrust to and confer upon any managing director or any director holding any other executive office any of the powers exercisable by the Directors, upon such terms and conditions and with such restrictions as they 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.

**19. POWERS OF DIRECTORS**

- (1) The Business of the Company shall be managed by the Directors who may pay all expenses incurred in getting up and registering the Company and who may exercise all such powers of the Company as are not by the Law, the memorandum of the Company, or these articles, or any directions given by special resolution, required to be exercised by the Company in general meeting. No alteration of the memorandum of the Company or these articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this article shall not be limited by any special power

given to the Directors by these articles. A meeting of the Directors at which a quorum is present may exercise all powers and discretions exercisable by the Directors.

- (2) No businesses or activities shall be carried on by the Company other than the Business, unless such businesses or activities are approved by a Majority in writing.
- (3) The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers. A power of attorney may be executed under the Seal or otherwise as the Directors may resolve.

## **20. MATTERS REQUIRING CONSENT OF SHAREHOLDERS**

The following matters shall require and shall be effected by notice in writing to the Company approved by a Majority and, separately, the Company (in relation to each Group company) agrees that it will exercise all voting rights and other powers of control available to it in relation to each of the Group companies so as to procure (insofar as it is able by the exercise of such rights and powers) that the Company shall not (without the prior written consent of a Majority):

- (1) allow the Company or any Group company to suffer a change of Control; or
- (2) dispose of 25% or more of the assets (including but not limited to fixed assets), equity interests or issued share capital of the Company or any Group company other than in the ordinary course of business; or
- (3) acquire, purchase, or subscribe for any shares, debentures, mortgages or securities (or any interest therein) in any company, trust or any body (except for the purpose of setting up a wholly owned subsidiary of the Company or any Group company in furtherance of the Business); or
- (4) take any steps to have the Company or any of the Group companies wound up, whether for the purposes of amalgamation or reconstruction or otherwise, unless a registered insolvency practitioner would have advised that the relevant Group company requires to be wound up by reason of it having become insolvent; or
- (5) make any application for the listing or the admission to trading of any part of the share capital of the Company or any of the Group companies on any Recognised Stock Exchange, including (without limitation) the Oslo Stock Exchange, Oslo Axess or London Stock Exchange or AIM or make any arrangement for any other form of marketing for any such share capital; or
- (6) enter into any contract or arrangement of a long term nature other than in the ordinary course of business or otherwise than on an arm's length basis; or
- (7) in respect of all Group companies, incur any material expenditure or liability or authorise, approve or permit any material expenditure or liability, which has not been approved in any Business Plan of the Company or any separate business plan of any of the Group companies, to be incurred in respect of the acquisition of any business(es) or capital asset(s) whatsoever ; or
- (8) borrow any money or incur any indebtedness in the nature of borrowing, that would increase the aggregate borrowings of the Group, other than amounts owed to any of the Group companies, to an amount in excess of the amount last approved in writing by a Majority; or

- (9) approve any Business Plan of the Company or any separate business plan of any of the Group companies that has been recommended by the Directors.

## 21. PROCEEDINGS OF DIRECTORS

- (1) The Directors may meet together for the despatch of business adjourn and otherwise regulate their meetings and proceedings as they think fit and may determine the quorum necessary for the transaction of business which in default of such determination shall be two Directors. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. A Director who is also appointed an alternate director shall, if his appointor is not present, be counted as two Directors for the purpose of making a quorum of Directors when such quorum exceeds two so that, when the quorum is two, not fewer than two individuals shall be present.
- (2) Any Director may participate in a meeting of the Directors or in a committee thereof by means of a conference telephone or similar communications equipment whereby all the Directors participating in the meeting can hear each other and the Directors participating in this manner shall be deemed to be present in person at such meeting for all the purposes of these articles.
- (3) A Director may at any time (and the Secretary upon the request of a Director shall) convene a meeting of the Directors. Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes the chairman shall have a second or casting vote. A Director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
- (4) 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 at the time appointed for holding the same the Directors present shall choose one of their number to be chairman of such meeting.
- (5) The Directors may, with the written consent of a Majority, delegate any of their powers to any committee consisting of one or more Directors and (if thought fit) one or more other persons, but a majority of the committee shall be Directors. No resolution of such a committee shall be effective unless a majority of those present when it is passed are Directors. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed upon it by the Directors, such regulations to be subject to the approval of a Majority. The meetings and proceedings of any such committee shall be governed by the provisions of these articles regulating the meetings and proceedings of the Directors so far as the same are applicable and are not superseded by any regulations made by the Directors under this article.
- (6) All acts done by any meeting of the Directors or of a committee appointed by 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 such Directors or committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or a member of a committee appointed by the Directors.
- (7) A resolution in writing signed by a majority of the Directors for the time being entitled to receive notice of a meeting of the Directors, or by all the members of a committee appointed pursuant to article 20 (5) hereof, shall be as valid and effectual as if it had been passed at a meeting of the Directors or (as the case may be) at a meeting of such a

committee duly convened and held and may consist of several documents in the like form each signed by one or more Directors or (as the case may be) committee members.

- (8) The Directors shall be paid out of the funds of the Company their reasonable travelling and other expenses properly and necessarily expended by them in attending meetings of the Directors (or of committees appointed pursuant to article 20 (5) hereof) or members or otherwise on the affairs of the Company. Subject to the Law, the Directors may also be paid by way of remuneration for their services such sum as the Directors shall determine subject to any rates or limits (if any) fixed by the Company in general meeting. If any of the Directors shall be appointed agent or to perform extra services or to make any special exertions or to go or reside abroad for any of the purposes of the Company the Directors may remunerate such Director therefor either by a fixed sum or by commission or participation in profits or otherwise or partly in one way and partly in another as they think fit. Such remuneration may be either in addition to or substitution for his remuneration hereinbefore provided.
- (9) The Directors shall cause minutes or records to be made and kept in books or registers provided for the purpose:
  - (a) of all appointments of Directors and Secretaries in accordance with the provisions of the Law;
  - (b) of all resolutions and proceedings of all meetings of the Company class meetings of members and meetings of the Directors and of committees appointed pursuant to article 20 (5) hereof; and
  - (c) of the names of the persons present at each meeting referred to in article 20 (9) (b) hereof.

## 22. DIRECTORS CONFLICTS OF INTEREST

- (1) Subject to the requirements of the Law a Director may be or become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested as member or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of or from his interests in such other company unless the Company otherwise directs.
- (2) No Director shall be disqualified by his office from contracting with the Company either as vendor purchaser or otherwise nor subject to the provisions of the Law and article 21 (3) hereof shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided or liable to be set aside.
- (3) A Director who has directly or indirectly an interest in a transaction entered into or proposed to be entered into by the Company or by a subsidiary of the Company which to a material extent conflicts or may conflict with the interests of the Company and of which he has actual knowledge shall disclose to the Company (by notice to the Directors) the nature and extent of his interest. Subject thereto any such Director shall not be liable to account to the Company for any profit or gain realised by him on such transaction.
- (4) A notice in writing given to the Company by a Director that he is to be regarded as interested in a transaction with a specified person is sufficient disclosure of his interest in any such transaction entered into after the notice is given.

- (5) Provided he makes disclosure as required by Article 21(3) and subject to the terms of Articles 21(6) hereof a Director may vote in respect of any such transaction and if he does so vote his vote shall be counted and he shall be capable of being counted towards the quorum at any meeting of the Directors at which any such transaction shall come before the Directors for consideration.
- (6) Subject to the provisions of the Law a Director may hold any other office or place of profit under the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine.
- (7) Subject to the provisions of the Law any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

## 23. **SEAL**

The Directors shall provide for the safe custody of the Seal which shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf and every instrument to which the Seal shall be affixed shall unless otherwise determined by resolution of the Directors be signed by one Director. Where the Company engages in business outside the Island of Jersey the Company may if the Directors so determine have for use in any country territory or place outside Jersey an official seal which shall be a facsimile of the Seal with the addition on its face either of the words "Branch Seal" or the name of the country territory or place where it is to be used and which shall be affixed in the same manner as the Seal or as provided under the Law.

## 24. **SECRETARY**

Every appointment of the Secretary shall require and be effected by notice in writing to the Company approved by a Majority on such terms and subject to such conditions as the Directors may think fit and any Secretary so appointed may be removed by Majority resolution.

## 25. **DISTRIBUTIONS AND RESERVE**

- (1) The Company may pay a dividend or make any other distribution of its assets (whether in cash or otherwise) to members at any time provided that such dividend is paid or such other distribution is made in accordance with and does not exceed any amount permitted by the Law. The amount of any such dividend or distribution shall, subject to the Law, be determined by the Directors, shall not exceed the amount so determined, and shall be apportioned and paid pro rata to members according to the amount paid up on each share.
- (2) The Directors may set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall at their discretion be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may at the like discretion either 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 also without placing the same to reserve carry forward any profits which they may think prudent not to distribute.
- (3) The Directors may deduct from any dividend or distribution payable to any member all such sums of money (if any) as may be due and payable by him to the Company on account of calls or otherwise.
- (4) If several persons are registered as joint holders of any share any one of them may give effectual receipts for any dividend or distribution payable in respect of the share.

- (5) No dividend or distribution shall bear interest against the Company.
- (6) Unless otherwise directed any dividend or distribution may be paid by cash or by direct debit, bank transfer, cheque, warrant or by any other method (including by electronic media and including, in respect of shares in uncertificated form, where the Company is properly authorised to do so, by means of a relevant system (subject always to the facilities and requirements of that relevant system)) as the Directors may consider appropriate and may send the same by post to the registered address of the member entitled or in the case of joint holders to that one whose name stands first on the Register in respect of their joint holding and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent and the Company shall not be responsible for any loss in transmission and payment by cheque or warrant as provided herein shall be a good discharge to the Company.
- (7) Without prejudice to the generality of article 24(6), payment by means of a relevant system may include the sending by the Company or by any person on its behalf of an instruction to the operator of the relevant system to credit the cash memorandum account of the member or joint holders or, if permitted by the Company, of such person as the member or joint holders may direct in writing. In this article 24(7) "cash memorandum account" means an account so designated by the operator of the relevant system.
- (8) Notwithstanding any other provision of these articles, the Company or the Directors may fix a date as the record date by reference to which a dividend is to be paid or other distribution is to be made and in the absence of a record date being fixed, entitlement to any dividend or other distribution shall be determined by reference to the date on which the Directors declare the dividend or other distribution.
- (9) If a payment for a dividend or other sum payable in respect of a share sent by the Company to the person entitled to it in accordance with article 24(6) is left uncashed or is returned to the Company and, after reasonable enquiries, the Company is unable to establish any new address or, with respect to a payment to be made by a funds transfer system (including, without limitation, the relevant system), a new account for that person or such payment is left uncashed or returned to the Company on three consecutive occasions, the Company shall not be obliged to send any dividends or other sums payable in respect of that share to that person until he notifies the Company of an address or, where the payment is to be made by a funds transfer system (including, without limitation, the relevant system), details of the accounts, to be used for the purpose.

## 26. CAPITALISATION OF RESERVES ETC.

Subject to any necessary sanction or authority being obtained the Company in general meeting may at any time and from time to time pass a resolution that any sum not required for the payment or provision of a fixed dividend with or without further participation in profits and (a) for the time being standing to the credit of any reserve fund of the Company including premiums received on the issue of any shares or debentures of the Company or (b) being undivided profits in the hands of the Company be capitalised and that such sum be appropriated as capital to and amongst the members in the shares and proportions in which they would have been entitled thereto if the same had been distributed pursuant to article 24 or in such manner as the resolution may direct and the Directors shall in accordance with such resolution apply such sum in paying up in full or in part (where permitted by the Law) any unissued shares or debentures of the Company on behalf of such members and appropriate such shares or debentures to and distribute the same credited as fully paid up or partly paid up (where permitted by the Law) amongst them in the proportions aforesaid in satisfaction of their shares and interests in the said

capitalised sum or shall apply such sum or any part thereof on behalf of such members in paying up the whole or part of any uncalled balance which shall for the time being be unpaid in respect of any issued shares or debentures held by them. Where any difficulty arises in respect of any such distribution the Directors may settle the same as they think expedient and in particular they may fix the value for distribution of any fully paid up shares or debentures make cash payments to any members on the footing of the value so fixed in order to adjust rights and vest any such shares or debentures in trustees upon such trusts for or for the benefit of the persons entitled to share in the appropriation and distribution as may seem just and expedient to the Directors.

## 27. ACCOUNTS AND AUDITORS

- (1) The Directors shall cause accounting records to be kept 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 the requirements of the Law.
- (2) The accounting records shall be kept at the office or at such other place or places as the Directors think fit and shall always be open to the inspection of the Directors, the Secretary and any liquidator of the Company provided that if such records are kept outside the Island of Jersey returns with respect to the business dealt with in such records shall be sent to and kept in the Island of Jersey where they must at all times be open to the inspection of the Directors the Secretary and any liquidator of the Company and must be such as to disclose with reasonable accuracy the financial position of the business in question at intervals of not more than six months and enable the Directors to ensure that any accounts prepared by the Company comply with the requirements of the Law and the rules of the Oslo Stock Exchange and Oslo Axess. Subject to the provisions of the Law such accounting records shall be preserved for a period of at least ten years from the date on which they are made.
- (3) The Directors shall, with the written consent of a Majority, determine and may vary the accounting reference date for the Company by resolution of the Directors and shall cause to be prepared accounts for the Company for periods of not more than eighteen months (a) beginning on the date of incorporation of the Company or (b) if the Company has previously prepared a profit and loss account beginning at the end of the period covered by the most recent account or (c) if the Company has not prepared such an account for a period ending within twelve months before the entry into force of Article 104 of the Law beginning on a date to be determined by the Directors not later than the date of the entry into force of Article 104. Such accounts shall be prepared in accordance with generally accepted accounting principles and show a true and fair view of the profit or loss of the Company for the period and of the state of the Company's affairs at the end of the period and comply with any other requirements of the Law. Notwithstanding the aforementioned provisions of this article 26 (3), the Company's first accounts shall be prepared for the period ending and in each year thereafter, the accounting reference date of the Company shall be 31 December. The Company shall comply with rule 4 (notification of any change of accounting reference date) of the Oslo Stock Exchange Continuing Obligations.
- (4) The Company's accounts shall be approved by the Directors and signed on their behalf by at least one Director.
- (5) Within seven months after the end of the financial period the accounts of the Company for that period shall be prepared examined and reported on by auditors and laid before a general meeting with a copy of the auditors' report.

- (6) Within seven months after the end of each financial period, the Directors shall deliver to the registrar a copy of the accounts for that period signed by one of the Directors on behalf of them all and a copy of the auditors' report thereon together with certified correct translations where such documents are not produced in the English language.
- (7) Auditors shall be appointed for the Company under the provisions of the Law to examine and report in accordance with the Law and the rules of the Oslo Stock Exchange and Oslo Axess on the accounts of the Company. Subject to the provisions of the Law, and the rules of the Oslo Stock Exchange and Oslo Axess all acts done by any persons acting as Auditors shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in their appointment or that they were at the time of their appointment not qualified for appointment or subsequently became disqualified. The provisions of the Law and the rules of the Oslo Stock Exchange and Oslo Axess shall govern inter alia the powers and duties of the auditors the auditors' report on the accounts of the Company and the re-appointment removal and replacement of the auditors.
- (8) The provisions of this Article 26 which require compliance with the rules of the Oslo Stock Exchange and Oslo Axess shall only apply from the date of admission of the shares in the Company to trading on the Oslo Stock Exchange or Oslo Axess and for as long as the shares in the Company continue to be admitted to trading on the Oslo Stock Exchange or Oslo Axess.

## 28. UNTRACED SHAREHOLDERS

- (1) Subject to the Law, and without affecting the ability of the Company to wind up in accordance with the Law, the Company shall be entitled to sell at the best price reasonably obtainable the shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy if and provided that:
  - (a) during the period of 12 years prior to the date of the publication of the advertisements referred to in article 27 (1)(b) below (or, if published on different dates, the earlier thereof) at least three dividends in respect of the shares in question have become payable and all warrants and cheques in respect of the shares in question sent in the manner authorised by these articles have remained uncashed; and
  - (b) the Company on expiry of the said period of 12 years shall have inserted advertisements in one national newspaper in the United Kingdom and in a newspaper circulating in the area of the registered address of such member or other person who may be affected in accordance with these articles, as appearing in the Register, giving notice of its intention to sell the said shares; and
  - (c) during the said period of 12 years and the period of three months following the publication of the said advertisements the Company shall not have received indication, either of the whereabouts or of the existence of such member or person; and
  - (d) notice has been given to the Oslo Stock Exchange or Oslo Axess as the case may be and to any other relevant listing authority or investment exchange of its intention to make such sale.
- (2) To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of the said shares and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such shares and the title of the transferee shall not be affected

by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.

- (3) Subject to the Law, if there shall be untraced shareholders for the purposes of article 27(1) on the date of the commencement of the winding up of the Company the Company shall give notice by advertisement in one national newspaper circulating in the United Kingdom of its intention to sell the shares of the untraced shareholder and if within 3 months of the giving of such notice the Company shall not have received indication, either of the whereabouts or of the existence of such untraced shareholder, the Company shall be entitled to sell the shares of the untraced shareholder in accordance with article 27(2).

## 29. **BORROWING POWERS**

- (1) Subject to Article 20(8), the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets both present and future and uncalled capital, or any part thereof, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or its parent undertaking (if any) or any subsidiary undertaking of the Company or of any third party.

## 30. **NOTICES**

- (1) Any notice to be given to or by any person pursuant to these articles shall be in writing or be given using Electronic Communications to an address for the time being notified for that purpose, to the person giving the notice save that a notice calling a meeting of the Directors need not be in writing or by Electronic Communication.
- (2) A notice may be given by the Company to any member personally or by sending it either by post to him at his registered address or to the address supplied by him to the Company for the giving of notices to him or by sending it by facsimile to him at any facsimile number supplied by him to the Company specifically for the purpose of serving formal notices on him or by sending it by Electronic Communication to an address for the time being notified to the Company by the member for that purpose.
- (3) Subject to the Law and to any other rules which the Company is bound to follow, the Company may also send any notice or other document pursuant to these articles to a member by publishing that notice or other document on a website where:
  - (a) the Company and the member have agreed to his having access to the notice or document on a website (instead of it being sent to him);
  - (b) the notice or document is one to which that agreement applies;
  - (c) the member is notified (in accordance with any requirements laid down by the Law and, in a manner for the time being agreed between him and the Company for the purpose) of:

- (i) the publication of the notice or document on a website;
    - (ii) the address of that website; and
    - (iii) the place on that website where the notice or document may be accessed, and how it may be accessed; and
  - (d) the notice or document is published on that website throughout the publication period, provided that, if the notice or document is published on that website for a part, but not all of, the publication period, the notice or document shall be treated as being published throughout that period if the failure to publish that notice or document throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid. For the purposes of this article 29(4) "publication period" means a period of not less than 21 days, beginning on the day on which the notification referred to in article 29(4)(c) is deemed sent.
- (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 shall be deemed to have received due notice of the meeting and, where requisite, of the purposes for which it was called.
- (5) Any notice shall be deemed to have been served in the case of posting in the Island of Jersey to an address in the Island on the second day following the date of posting and in the case of posting in the Island to an address outside the Island on the fifth day following the date of posting. In the case of service of any notice by facsimile such notice shall be deemed to have been served immediately on transmission of such notice. A notice or other document contained in an Electronic Communication shall be deemed to be served one day after the time it was sent or on the deemed notification to the member of its publication on a website. Proof that a notice contained in an Electronic Communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrator shall be conclusive evidence that the notice or document was served.
- (6) A notice may be given by advertisement by being published in at least one daily newspaper circulated in Jersey and shall be deemed to have been served before noon the day on which the advertisement appears.
- (7) In proving service of any notice by post it shall be sufficient to prove that the notice was properly addressed stamped and posted. In the case of service of any notice by facsimile it shall be sufficient to prove receipt by the sender of a confirmed facsimile transmission report.
- (8) A notice may be given by the Company to the joint holders of a share by giving notice to the joint holder named first in the Register in respect of the share.
- (9) A notice may be given to the guardian of a minor member or to the curator appointed by the Royal Court or other person appointed by a court of competent jurisdiction to administer to the affairs of any member of unsound mind or 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 such persons by name or by the title of guardian or curator appointed by the Royal Court or other person appointed by a court of competent jurisdiction to administer to the affairs of such member of unsound mind or representatives of the deceased or trustee of the bankrupt or by any like description at the address supplied for the purpose by such persons. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the

member in question had not been a minor or of unsound mind, or if the death or bankruptcy of the member in question had not occurred.

- (10) Subject to the provisions of these articles, notice of every general meeting shall be given to every member, to each Director and to such other persons as the Directors shall at any time and from time to time determine.
- (11) For the purposes of serving notices of meetings or other documents the Directors may determine that the persons entitled to receive such notices or other documents are those persons who are entered on the Register at any time not more than 21 days before the date of the dispatch of the notice or other document.

### **31. WINDING UP**

- (1) Subject to the claims of any secured creditors and to the provisions of any enactment as to preferential payments the Company's property shall on winding up be realised and applied in satisfaction of the Company's liabilities *pari passu* and subject thereto any surplus shall then be distributed amongst the members according to their rights and interests in the Company. Subject to the rights of the holders of shares issued upon special conditions if the assets available for distribution to members shall be insufficient to pay the whole of the paid up capital such assets shall be shared on a pro rata basis amongst members by reference to the number of fully paid up shares held by each member respectively at the commencement of the winding up.
- (2) If the Company shall be wound up the liquidator or where there is no liquidator the Directors may with the sanction of a special resolution divide amongst the members in specie any part of the assets of the Company or vest the same 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 shall think fit.

### **32. INDEMNITY**

- (1) Every Secretary agent servant and employee of the Company save for any person employed by the Company as auditor shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay the costs charges losses liabilities damages and expenses which any such person may incur in the course of the discharge by him of his duties as Secretary agent servant or employee of the Company as the case may be provided that this indemnity shall not be applicable in circumstances where any such person has incurred such costs charges losses liabilities damages and expenses through his own fraud wilful misconduct or gross negligence.
- (2) In so far as the Law allows every present or former officer of the Company (excluding any person employed as an auditor) 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 officer.
- (3) The Directors are empowered to arrange for the purchase and maintenance in the name and at the expense of the Company of insurance cover for the benefit of any officer or former officer of the Company the Secretary and any agent servant or employee of the Company against any liability which is incurred by any such person by reason of the fact that he is or was an officer of the Company the Secretary or an agent servant or employee of the Company.