

Incorporating Act  
and  
Bye-Laws  
of  
**ZAMBIA COPPER INVESTMENTS LIMITED**

# **Bermuda Incorporating Act**

(as amended)

Incorporated in Bermuda as Ursa Enterprises Limited  
on November 6, 1969

Re-named Zambia Copper Investments Limited on March 20, 1970

Incorporating Act amended December 7, 1984

BERMUDA

No. 661 : 1969.  
Amendment No. 50: 1984

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## **THE URSA ENTERPRISES COMPANY ACT, 1969**

(as amended by The Ursa Enterprises Company Act, 1969  
Amendment Act, 1984)

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(7<sup>th</sup> August, 1969)  
(Amended 7<sup>th</sup> December, 1984)

**WHEREAS** Westbroke Limited has presented a petition to the Legislature setting forth that it is desirous of forming a joint stock company to be called "Ursa Enterprises Limited" for the purposes therein expressed and that the petitioner is desirous of having the said Company incorporated by an Act of the Legislature limiting the liability of the shareholders to the amount unpaid on their respective shares and praying that an Act may be passed to enable the said Company to become incorporated and to confer on the said Company certain powers necessary for the carrying on of its business, and it is deemed expedient to pass an Act for such purposes:

Be it enacted by The Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and the House of Assembly of Bermuda, and by the authority of the same, as follows:-

1. (1) If within twelve months after the passing of this Act a memorandum of association is signed and filed in accordance with the provisions of the Companies Act, 1948, the persons who shall sign such memorandum and the persons who shall thereafter become shareholders in the Company shall be a body corporate under the name of "Ursa Enterprises Limited" with the exclusive right to use that name in these Islands and under that name to have perpetual succession with power to sue and liability to be sued in all courts, and to have and use a common seal, with power to renew or change the same at pleasure, and the Company may thereafter carry on its business under the powers conferred by and in accordance with the provisions of this Act, of the Companies Act, 1923, of the Companies Act, 1950, in so far as they are not in conflict with any of the provisions of this Act.

(2) If the persons referred to in the foregoing subsection become a body corporate under the provisions of the said subsection then the succeeding sections of this Act shall have effect in relation to that body corporate, which body corporate is in the said succeeding sections referred to as "the Company".

(3) In this Act, unless the subject or context otherwise requires:-

"bye-laws" means the bye-laws for the time being of the Company ;

"Statutory Declaration" means a declaration filed with the Registrar of Companies in Bermuda pursuant to section 4A(3) in such form as the Directors of the Company may deem appropriate.

2. Upon the filing of the memorandum of association the Registrar-General shall furnish to the Company a certificate stating the date when such memorandum was filed in his office.

3. (1) The capital of the Company shall be such sum not less than five thousand pounds or twelve thousand dollars (currency of the United States of America) as the Company may from time to time determine.

(2) the capital of the Company shall be divided into shares of a par value of not less than ten pennies or ten cents each.

4. The Company shall have the power to conclude contracts in these Islands, to exercise in these Islands all the powers necessary for the carrying on of its business exercised exterior to these Islands but the Company shall be prohibited from trading with any local person, firm or corporation except in furtherance of the aforesaid business except as provided by section 6 of the Exempted Companies Act, 1950, and except as hereinafter provided and the Company shall have the powers set out in paragraphs (a) to (zb) of the Schedule of the Exempted Companies Act, 1950, and in addition shall have the following powers to be lettered (zc), (zd), (ze), (zf) and (zg) all of which shall be considered as primary powers of the Company:-

(zc) power to act as principals and agents for the sale of any stocks, shares or other securities of any other company, mutual fund, unit trust or undertaking;

(zd) power to act as investment advisors and managers and to provide such investment advice and management to any other company, mutual fund, unit trust or undertaking;

(ze) power to act as trustees for any pension, provident, benevolent or similar funds established for the benefit of employees (which expression shall throughout this paragraph include directors, managing directors and other officers and ex-employees of the Company and any affiliated or subsidiary company or body whether incorporated or not) and the dependents of such employees and ex-employees and to do all such acts and things as are requisite or proper for such purposes;

- (zf) power to amalgamate or merge with any other exempted company or any company incorporated outside of these Islands whether by sale or purchase (for fully or part paid up shares or otherwise) of the undertakings subject to the liabilities of the Company or any such other company as aforesaid, with or without winding up, or by sale or purchase (for fully or partly paid up shares or otherwise) of all the shares and stock of the Company or any such other company as aforesaid, or by partnership, or in any other manner;
- (zg) power to engage, provide, employ, hire out or act as agent for, the services of artists, actors, singers, entertainers, authors, composers, producers, directors, engineers, experts or specialists of any sort.

4A. (1) The Company in addition to the powers conferred upon it by this Act and any other Act of the Legislature shall have power to make such arrangements as it may consider necessary for the preservation and protection of its undertaking, property and assets and of the interests of its members against loss resulting from actual or threatened international or national emergencies, wars, revolutions, expropriation, confiscation or other occurrences, restrictions or natural disasters affecting its assets. No Act of the Legislature or rule of law shall invalidate or make void or voidable any such arrangement or impose liability on any person who effects or is involved in effecting the same unless it is shown that :-

- (a) such arrangement does not take account of the interests of the members of the Company for the time being; and
- (b) such arrangement does not take account of the claims of all *bona fide* creditors and other persons for the time being having claims against the Company.

(2) Without prejudice to the generality of subsection (1) an arrangement pursuant to that subsection may take the form of a reconstruction transferring the whole or any part of the undertaking, property and liabilities of the Company to another body whether corporate or unincorporate established in Bermuda or elsewhere (in this subsection referred to as the "transferee") in consideration of the issue of shares, debentures or other forms of capital or interest in the transferee to holders of shares, debentures or other forms of capital or interest in the Company and the assumption by the transferee of liabilities of the Company. Such reconstruction shall be effected by agreement between the Company and the transferee which shall provide for the following matters:-

- (a) the transfer to the transferee of the whole or any part of the undertaking and of the property and liabilities of the Company ;
- (b) the allocation or appropriation by the transferee of any shares, debentures or other forms of capital or interest which under the arrangement are to be allotted or appropriated by the transferee to or for the holders of shares, debentures or other forms of capital or interest in the Company;

- (c) the continuation by or against the transferee of any legal proceedings pending by or against the Company; and
- (d) such incidental, consequential and supplemental matters as are necessary to secure that the reconstruction shall be fully and effectively carried out.

Where an agreement under this subsection provides for the transfer of property or liabilities, that property shall, by virtue of the agreement, be transferred to and vest in, and those liabilities shall, by virtue of the agreement, be transferred to and become the liabilities of, the transferee, subject in the case of any property to all charges, mortgages, liens, and other encumbrances to which the same was subject immediately before the transfer thereof. (In this subsection the expression "property" includes assets, rights and powers of every description, and the expression "liabilities" includes duties and obligations of every description.)

(3) The powers hereby conferred on the Company shall be exercisable by its directors provided that before exercising such powers not less than two directors of the Company, one of whom shall be the chairman or, if there be one, the deputy chairman, shall make a Statutory Declaration and file the same with the Registrar of Companies stating that, in their opinion, the measures to be adopted by the Company take account of the interests of the members of the Company for the time being and of the claims of all *bona fide* creditors and other persons for the time being having claims against the Company.

(4) Any director of the Company making a declaration under the provisions of the preceding subsection without having any reasonable grounds for the opinion required to be given under such subsection shall be guilty of an offence and liable upon conviction by a court of summary jurisdiction to imprisonment for a period of six months or to a fine of two thousand five hundred dollars or to both.

4B. Notwithstanding anything contained in any other Act of the Legislature or rule of law to the contrary :-

(1) the Company shall, pursuant to the provisions of section 42A of the Companies Act, 1981, have the power to purchase its own shares;

(2) in addition to its common seal for use in Bermuda, the Company may adopt one or more common seals for use in any territory outside Bermuda:

(3) the bye-laws of the Company may provide that a Member may designate a person who is not a Member of the Company his proxy to represent such Member and vote on his behalf at any general meeting of the Company or meeting of the holders of any class of shares in the capital of the Company;

(4) it shall not be necessary for a director or an alternate director to be a Member of the Company;

(5) the Company shall not be required to have a president or any vice president, but shall have a chairman who shall be appointed in such manner, and hold office for such period, as the by-laws of the Company may provide.

5. The provisions of subsections (1), (2), (3) and (4) of section twenty of the Companies Act, 1923, shall not apply with respect to the Company and the provisional directors or the directors may allot all or any of the shares subscribed for in the Company to such person or corporation as they may from time to time determine, without regard to the nationality of the person or corporation to whom any shares may be allotted.

6. Notwithstanding anything contained in the Companies Act, 1923, the Company shall not be required to record in its register of shareholders or elsewhere the nationality or occupation of the transferee of any shares of the capital stock of the Company, the amount paid for the shares transferred or the date of the acquisition of any shares, nor shall the Company be required to allot specific share numbers or to record the same relating to the shares in its capital stock:

Provided that nothing in this Act contained shall be construed to exempt the Company or any person or persons from the payment of any stamp duty payable under any Act of the Legislature of these Islands.

7. Nothing in this Act contained shall be construed to affect the rights of Her Majesty, Her heirs and successors or any body politic or corporate or of any other person or persons except such as are mentioned in this Act, and those claiming by, from or under them.

BERMUDA

No. 661 : 1969.  
Amendment No. 50: 1984

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**THE URSA ENTERPRISES COMPANY  
(CHANGE OF NAME) ACT, 1970**

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(20<sup>th</sup> March, 1970)

**WHEREAS** Ursa Enterprises Limited has presented a petition to the Legislature setting forth that it is desirous of changing its name to "Zambia Copper Investments Limited":

**AND WHEREAS** it is deemed expedient to pass an Act in accordance with the prayer of the said petition:

Be it enacted by The Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and the House of Assembly of Bermuda, and by the authority of the same, as follows:-

1. Notwithstanding anything in the Ursa Enterprises Company Act, 1969, the joint stock company incorporated under that Act under the name of "Ursa Enterprises Limited" shall, as from the coming into operation of this Act, be a body corporate under the name of "Zambia Copper Investments Limited" and shall, for all purposes, be known thenceforward by that name.
2. Nothing in this Act contained shall be construed to affect the rights of Her Majesty, Her heirs and successors or of any body politic or corporate or of any other person or persons except such as are mentioned in this Act, and those claiming by, from or under them.



# **Bye-Laws**

Adopted by special resolution passed on June 26, 1970.  
Amended by extraordinary resolutions passed on October 15, 1970,  
November 14, 1974, November 13, 1984 (which became  
operative on December 7, 1984), November 9, 1995, May 30, 2000  
and September 10, 2002 (which became operative on September 17, 2002).

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# **Bye-Laws of ZAMBIA COPPER INVESTMENTS LIMITED**

## **INTERPRETATION**

1. In these bye-laws (if not inconsistent with the subject or context) the words and expressions set out in the first column shall bear the meanings set opposite to them respectively :

### **WORDS**

### **MEANINGS**

The Company	Zambia Copper Investments Limited
The Act	The Companies Act 1981
The Act of Incorporation	The Ursa Enterprises Company Act, 1969 as amended by The Ursa Enterprises Limited (Change of Name) Act, 1970 and The Ursa Enterprises Company Act, 1969, Amendment Act, 1984
These presents	These bye-laws or other regulations of the Company from time to time in force
Office	The registered office of the Company for the time being
Transfer Office	The place where the Register of Members is situate for the time being
Seal	Any Common Seal of the Company
Month	Calendar month
In writing	Written or produced by any substitute for writing or partly one and partly another
Dividend	Dividend and/or bonus
Paid	Paid or credited as paid
Member	Any person who for the time being is the registered holder of shares in the Company

## WORDS

## MEANINGS

Extraordinary Resolution

A resolution passed by a majority of not less than three fourths of the members voting in person or by proxy and entitled so to vote at a meeting of which notice specifying the intention to propose the resolution as an extraordinary resolution has been duly given.

The expressions "debenture" and "debenture-holder" shall include "debenture stock" and "debenture stockholder".

The expression "subsidiary" shall have the meaning ascribed thereto by Section 736 of the Companies Act 1985 of Great Britain.

The expression "Secretary" shall include any person appointed by the Directors to perform any of the duties of the Secretary and where two or more persons are appointed to act as Joint Secretaries shall include any one of those persons.

All such of the provisions of these presents as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" shall be construed accordingly.

Words importing the singular number only include the plural number and *vice versa*.

Words importing the masculine gender only include the feminine gender.

Words importing persons include corporations.

Save as aforesaid any words or expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meaning in these presents.

## **BUSINESS**

2. Any branch or kind of business which by the Act of Incorporation or these presents is either expressly or by implication authorised to be undertaken by the Company, may be undertaken by the Directors at such time or times as they shall think fit.

3. Any such branch or kind of business may be suffered by them to be in abeyance whether or not actually commenced, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business.

## **SHARE CAPITAL**

4. (a) The share capital of the Company at the date of the adoption of this bye-law is BD\$31,212,000 divided into 130,000,000 ordinary shares of 24 Bermudian cents each and 50,000 deferred shares of 24 Bermudian cents each.

(b) The deferred shares in the capital of the Company shall not confer any right to participate in profits or assets of the Company other than the right to receive on the winding up of

the Company (subject to the special rights attached to any class of shares hereafter issued) the amount paid up or credited as paid up thereon for which purpose only such shares shall rank *pari passu* (up to the amount of 24 Bermudian cents only) with the ordinary shares.

## VARIATION OF RIGHTS

5. Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Act, be varied or abrogated either with the consent in writing of the holders of three fourths of the issued shares of the class or with the sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be three persons at least holding or representing by proxy one third in nominal amount of the issued shares of the class (but so that if at any adjourned meeting a quorum as above defined is not present, any two holders of shares of the class present in person or by proxy shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on the poll have one vote for every share of the class held by him. The foregoing provisions of this bye-law shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if the shares concerned and the remaining shares of such class formed separate classes.

6. The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

## ALTERATION OF SHARE CAPITAL

7. (a) The Company may from time to time by Extraordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe. All new shares shall be subject to the provisions of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

(b) The power contained in the Act of Incorporation for the Company to purchase or otherwise acquire its shares shall be exercisable by the Directors in accordance with the Act upon such terms and subject to such conditions as they think fit.

8. (a) The Company may by Extraordinary Resolution:

- (i) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
- (ii) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Act of Incorporation (subject, nevertheless, to the provisions of the Act), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have

any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares.

(b) Upon any consolidation of fully paid shares into shares of larger amount the Directors may settle any difficulty which may arise with regard thereto and in particular may as between the holders of shares so consolidated determine which shares are consolidated into each consolidated share and in the case of any shares registered in the name of one holder (or joint holders) being consolidated with shares registered in the name of another holder (or joint holders) may make such arrangements for the allocation, acceptance or sale of the consolidated share and for the distribution of any moneys received in respect thereof as may be thought fit and for the purpose of giving effect thereto may appoint some person to transfer the consolidated share or any fractions thereof and to receive the purchase price thereof and any transfer executed in pursuance thereof shall be effective and after such transfer has been registered no person shall be entitled to question its validity.

(c) If, upon any consolidation by the Company of its ordinary shares, there are members holding less than 100 ordinary shares prior to the consolidation taking effect who become entitled to fractions of consolidated shares, then the Company shall, unless such members have elected to retain such fractions, cause the fractions to be aggregated and sold on such basis as the directors may determine and the Company shall account to each member for the proceeds attributable to each member's fraction.

9. The Company may from time to time by Extraordinary Resolution in General Meeting and on complying with the provisions of the Act reduce its Capital by paying off Capital or cancelling Capital which has been lost, or is unrepresented by available assets, or reducing the liability on the shares or otherwise as may seem expedient.

## SHARES

10. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognize any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

11. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company in General Meeting may from time to time determine and subject to the provisions of the Act the Company may issue preference shares which are, or at the option of the Company are to be liable, to be redeemed.

12. Shares shall whether in the initial or in any increased capital be issued to such person or persons and on such terms and conditions and with such rights and privileges and conditions attached thereto as the Company in General Meeting may determine; provided that the Company may by resolution direct that the shares shall, subject to the provisions of the Act, be issued by the Directors to such person or persons on such terms and conditions and with such rights and privileges and conditions attached thereto as the Directors may determine.

13. The Company may on any issue of shares pay such brokerage as the Directors may determine

provided that the net amount received by the Company shall not be less than the par value of such shares.

14. The Directors may at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder recognize a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

## **SHARE CERTIFICATES**

15. Every share certificate shall be issued under Seal (or, in the case of shares on any Local Register, under an official seal for use in the relevant territory) and shall specify the number and class of shares to which it relates and the amount paid up thereon. No certificate shall be issued representing shares of more than one class.

16. In the case of a share held jointly by several persons the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of the joint holders shall be sufficient delivery to all.

17. Any person (subject as aforesaid) whose name is entered in the Register of Members in respect of any shares of any one class upon the issue or transfer thereof shall be entitled without payment to a certificate thereof.

18. Where part only of the shares comprised in a share certificate are transferred the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge.

19. (a) Any two or more certificates representing shares of any one class held by any Member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.

(b) The Company may if the Directors so agree issue to any Member who surrenders for cancellation a share certificate representing shares held by him two or more share certificates representing such shares in such proportions as he may specify, subject to the payment by him of such fee (if any) not exceeding 30 cents for each certificate after the first as the Directors may determine.

(c) If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed a new certificate representing the same shares shall be issued without charge to the holder upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.



(d) In the case of shares held jointly by several persons any such request may be made by any one of the joint holders.

### **CALLS ON SHARES**

20. The Directors may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the terms of issue thereof made payable at fixed times. Each Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified or at any Local Office the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.

21. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing the call was passed and may be made payable by instalments.

22. 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 on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 7 per cent per annum) as the Directors determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.

23. Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

24. The Directors shall not on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.

25. The Directors may if they think fit receive from any Member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance be payable) the Company may pay interest at such rate (not exceeding 6 per cent per annum) as the Member paying such sum and the Directors agree upon but the Company shall not pay any dividends in respect thereof.

### **FORFEITURE AND LIEN**

26. If a Member fails to pay in full any call or instalment of a call on the day appointed for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest and expenses which may have accrued.

27. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited.

28. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

29. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors see fit. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid.

30. A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at 7 per cent per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment but the Directors may waive payment of such interest either wholly or in part and the Directors may enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender.

31. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share. The Company's lien (if any) on a share shall extend to all dividends payable thereon. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this bye-law.

32. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

33. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities in respect whereof the lien exists so far as the same are presently payable and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser.

34. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

## **TRANSFER OF SHARES**

35. All transfers of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors and may be under hand only. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully-paid shares) by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.

36. Registers of Transfers of shares shall be kept in Bermuda and at such place or places as the Directors may from time to time prescribe. The Directors may appoint Registrars or transfer agents in such place or places to whom the Directors may delegate all or any of their powers, authorities and discretions with regard to the registration of transfers and the keeping of Registers and other records required by the Act to be kept in relation thereto. The registers of shares shall be kept in such manner as to show at all times the shareholders of the Company for the time being, and the shares respectively held by them. The registers of shareholders shall be open to inspection at the office of the Company between 10.00 a.m. and 12 noon on every weekday except Saturdays and public holidays.

37. Instruments of transfer shall be lodged at the place where the Register of Transfers relating to the shares comprised therein is for the time being kept or at such other place as the Directors may prescribe, accompanied by the relative share certificate and any such other evidence as the Directors or other person in charge of such Register may require to prove the title of the transferor or his right to make the transfer, and the transferee shall (subject to the power of the Directors to decline to register transfers) be registered as a Member in respect of such shares.

38. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine and either generally or in respect of any class of shares. The Register of Members shall not be closed for more than thirty days in any year.

39. All Powers of Attorney and other authorities granted by Members for the purpose of transferring shares which may be lodged, produced or exhibited to the Company, or any of its proper officers, shall, as between the Company and the grantor of such powers, be taken and deemed to continue and remain in full force and effect, and the Company may allow the same to be acted upon, until such time as express notice in writing of the revocation of the same shall have been given and lodged at the place where the Register of Transfers relating to the shares to be transferred is for the

time being kept or such other place as the Directors may prescribe. Even after the giving and lodging of such notice the Company shall be entitled to give effect to any instrument signed under the Power of Attorney and certified by any officer of the Company as being in order before the giving and lodging of such notice. The Company shall not be bound to allow the exercise of any act or matter by an agent for a Member unless a duly certified copy of such agent's authority be produced and filed with the Company.

40. The Directors may in their absolute discretion and without assigning any reason therefor decline to register any transfer of shares (not being fully paid shares). The Directors may also refuse to register a transfer of shares (whether fully paid or not) in favour of more than four persons jointly.

41. If the Directors refuse to register a transfer they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

42. The Directors may decline to recognise any instrument of transfer unless the instrument of transfer is in respect of only one class of share and is deposited in accordance with the provisions of Bye-Law 37.

43. All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall (except in the case of fraud) be returned to the person depositing the same.

44. No fee will be charged by the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or notice in lieu of distringas or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares.

## **TRANSMISSION OF SHARES**

45. In case of the death of a shareholder the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this bye-law shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

46. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of such desire or transfer such share to some other person. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member.

47. Save as otherwise provided by or in accordance with these presents, a person becoming entitled to a share in consequence of the death or bankruptcy of a Member (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he

were the registered holder of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a Member in respect of the share.

## **GENERAL MEETINGS**

48. An Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Special General Meetings.

49. The Directors may, whenever they think fit, convene a Special General Meeting, and the Directors shall forthwith proceed to convene a Special General Meeting if and when required so to do by Members holding not less than one-tenth of such paid-up capital of the Company as at the date of the deposit of the requisition carries the right to vote at General Meetings of the Company. The requisition shall state the objects of the meeting and be signed by the requisitionists and deposited at the Office or the Head Office and may consist of several documents in like form each signed by one or more requisitionists.

If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting the requisitionists or any of them representing more than one-half of the total voting rights of all of them may themselves convene a meeting but any meeting so convened shall not be held after the expiration of three months from the said date. Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors duly to convene a meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration in respect of their services to such of the Directors as were in default.

## **NOTICE OF GENERAL MEETING**

50. An Annual General Meeting shall be called by twenty-one days' notice in writing at the least and any Special General Meeting by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereinafter mentioned to all Members other than such as are not under the provisions of these presents entitled to receive such notices from the Company : Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed :-

- (i) in the case of an Annual General Meeting by all Members entitled to attend and vote thereat ; and
- (ii) in the case of a Special General Meeting by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting.

51. (a) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, vote instead of him.

(b) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.

(c) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business ; and if any resolution is to be proposed as an Extraordinary Resolution, the notice shall contain a statement to that effect.

52. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say :-

- (i) declaring dividends ;
- (ii) considering and adopting the accounts, the reports of the Directors and Auditors and other documents required to be annexed to the accounts ;
- (iii) appointing Auditors and fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed ;
- (iv) appointing or re-appointing Directors.

53. The Directors shall on the requisition of Members in accordance with the provisions of the Act, but subject as therein provided :-

- (i) give to Members entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting ;
- (ii) circulate to the Members entitled to have notice of any General Meeting, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

### **PROCEEDINGS AT GENERAL MEETINGS**

54. No business shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Three Members present in person or by proxy and entitled to vote shall be a quorum for all purposes.

55. The Chairman of the Company, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any

meeting neither be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the Members present shall choose one of their number) to be chairman of the meeting.

56. If within five minutes from the time appointed for a General Meeting (or such longer time as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any case it shall stand adjourned to the same day in the next week, at the same time and place, or to such day and at such time and place as the chairman of the meeting may determine, and if at such adjourned meeting a quorum is not present within five minutes from the time appointed for the holding of the meeting, the Members present in person or by proxy shall be a quorum.

57. The chairman of the meeting may with the consent of any General Meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned *sine die*, the time and place for the adjourned meeting shall be fixed by the Directors.

58. When a meeting is adjourned for thirty days or more or *sine die*, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the 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.

59. 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) demanded by:

- (i) the chairman of the meeting ; or
- (ii) not less than three Members present in person or by proxy and entitled to vote; or
- (iii) a Member or Members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting ; or
- (iv) a Member or Members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

60. A demand for a poll may be withdrawn. Unless a poll be so demanded (and the demand be not withdrawn) a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is duly demanded (and the demand be not withdrawn), it shall be taken in such manner (including the use of ballot or voting paper or tickets) as

the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

61. 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 casting vote.

62. 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 either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

## **VOTES OF MEMBERS**

63. Subject to any special rights or restrictions as to voting attached by or in accordance with these presents to any class of shares, on a show of hands every Member who is present in person and every person holding a valid proxy at such meeting shall have one vote and on a poll every Member who is present in person or by proxy shall have one vote for every share of which he is the registered holder.

64. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

65. Where in Bermuda or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person to vote in person or by proxy on behalf of such Member at any General Meeting.

66. No Member shall, unless the Directors otherwise determine, be entitled to vote at a General Meeting either personally or by proxy or to exercise any other rights conferred by membership in relation to meetings of the Company unless all calls or other sums presently payable by him to the Company in respect of shares in the Company have been paid.

67. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.



68. Votes may be given either personally or by proxy. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney, or if such appointor be a corporation under its Common or Official Seal or under the hand of its duly authorised officer. A proxy need not be a Member of the Company.

69. An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in the notice convening the meeting (or, if no place is so specified, at the place where there is kept the register of transfers relating to the shares in respect of which the proxy is given) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or for the taking of the poll at which it is to be used, and in default shall not be treated as valid. Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

70. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll and shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

71. A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the place appointed for the holding of the meeting at least two hours before the commencement of the meeting or adjourned meeting or the time appointed for the taking of the poll at which the vote is cast.

### **CORPORATIONS ACTING BY REPRESENTATIVES**

72. Any corporation which is a Member of the Company may appoint such persons as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company. Any person so appointed shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member of the Company and such corporation shall for the purposes of these presents be deemed to be present in person at any such meeting if a person so authorised is present thereat.

### **OFFICERS**

73. (a) The Officers of the Company shall consist of a Chairman and a Secretary and such additional officers as the Directors shall from time to time determine which may include a President, one or more Deputy Chairmen and one or more Vice-Presidents each having such powers as the Directors may delegate to them from time to time or as otherwise specified herein.

(b) The Chairman, the President and Deputy Chairman shall be elected by the Directors from amongst their number. The Secretary, the Vice-Presidents and all other officers shall be appointed by the Directors and need not themselves be Directors. All of such officers shall hold office during the pleasure of the Directors.

The Secretary or if he does not the Assistant Secretary or other person appointed by the Directors shall attend all meetings of the Company and of the Directors and shall keep correct

minutes of such meetings and enter the same in proper books provided for the purpose. He shall perform such other duties as are prescribed by the Act or bye-laws, or as shall be prescribed by the Directors. The Secretary shall receive such salary as the Directors shall from time to time determine.

## **DIRECTORS**

74. Subject as hereinafter provided the directors shall be not less than four nor more than six in number.

75. A Director shall not be required to hold any share of the Company by way of qualification. A Director who is not a Member shall nevertheless be entitled to attend and speak at General Meetings.

76. The ordinary remuneration of the Directors shall be at the rate of \$3,600 per annum each. Such remuneration shall accrue from day to day and shall be payable by equal quarterly instalments in arrear. The Company in General Meeting may vote extra remuneration to the Directors or any of them.

77. Any Director who holds any executive office (including for this purpose the office of Chairman, or President or Deputy Chairman whether or not such office is held in an executive capacity), or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine.

78. The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise in or about the business of the Company.

79. The Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director or ex-Director who may hold or have held any executive office or any office or place of profit under the Company or any of its subsidiaries and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums.

80. A Director may contract or be interested in any contract or arrangement with the Company or any other company in which the Company may be interested and hold any office or place of profit (other than the office of Auditor of the Company) in the Company or any such other company and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and (unless otherwise agreed) may retain for his own absolute use and benefit all profits and advantages accruing to him there from.

81. The Directors may entrust to and confer upon any Director holding any executive office any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they see 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.

## **APPOINTMENT AND RETIREMENT OF DIRECTORS**

82. The office of a Director shall be vacated in any of the following events, namely :-
- (i) if he shall become prohibited by law from acting as a Director;
  - (ii) if he shall resign by writing under his hand left at the Office, or if he shall tender his resignation and the Directors shall resolve to accept the same;
  - (iii) if he shall have a receiving order made against him or shall compound with his creditors generally;
  - (iv) if in Bermuda or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;
  - (v) if he shall be absent from meetings of the Directors for six months without leave and the Directors shall resolve that his office be vacated.

83. The Company may in accordance with and subject to the provisions of the Act at a Special General meeting convened for the purpose remove any Director from office notwithstanding any provision of these presents or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement, and appoint another person in place of a Director so removed from office. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled by Directors as a casual vacancy.

84. A resolution for the appointment of two or more persons as Directors as a single resolution shall not be moved at any General Meeting unless a resolution that it shall be so moved has first been agreed to by the Meeting without any vote being given against it ; and any resolution moved in contravention of this provision shall be void.

85. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless not less than seven nor more than forty-two days before the day appointed for the meeting there shall have been left at the Office notice in writing signed by some Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

86. The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed by the provisions of Bye-Law 74. Any Director so appointed shall hold office only until the next Annual General Meeting and shall then be eligible for re-election.

## **ALTERNATE DIRECTORS**

87. (a) At any General Meeting the shareholders may elect a person or persons to act as Directors in the alternative to designated persons elected as Directors of the Company or may authorize the Directors for the time being in office to appoint such Alternate Directors. Unless the Members otherwise resolve, any Director may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person to be his Alternate Director and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by the Directors, shall have effect only and subject to being so approved.

(b) The appointment of an Alternate Director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor ceases to be a Director. An Alternate Director shall not be required to hold any share of the Company by way of qualification.

(c) An Alternate Director shall (except when absent from Bermuda) be entitled to receive notices of meetings of the Directors and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all the functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these presents shall apply as if he were a Director. If his appointor is for the time being absent or unable to act his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committees of the Directors the foregoing sentence shall also apply *mutatis mutandis* to any meeting of any such committee of which his appointor is a member. An Alternate Director shall not (save as aforesaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of these presents.

(d) An Alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as an Alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

## **PROCEEDINGS OF DIRECTORS**

88. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. The Chairman of the meeting shall not have a casting vote. The Chairman or, failing him, a Deputy Chairman may, and shall if required in writing by any two other Directors, at any time summon a meeting of the Directors. The Chairman or, failing him, a Deputy Chairman shall specify the time, date and place of the meeting and notice thereof shall be delivered to each Director, addressed to him at his last known address or any other address given by him to the Company for this purpose or shall be sent to him at such place by telegraph, telex, telecopier or facsimile or be delivered personally or by telephone. In any such case such notice shall be delivered not later than five business days before the day on which the meeting is to be held. Any Director may waive notice of any meeting either prospectively or retrospectively.

89. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be two. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

90. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at the meeting of the Directors at which the contract or proposed contract is determined on, if his interest then exists, and in any other case at the first meeting of the Directors after the acquisition of his interest. A general notice in writing that a Director is a member of any specified firm or company with whom any contract is proposed to be entered into in relation to the affairs of this Company, and is to be regarded as interested in any subsequent transactions with such firm or company, shall be a sufficient disclosure under this bye-law as regards such subsequent transactions, and after such general notice it shall not be necessary to give any special notice relating to any particular transactions with such firm or company.

91. Save as by the next following bye-law otherwise provided, a Director shall not vote in respect of any contract or arrangement in which he is interested (and if he shall do so his vote shall not be counted) nor shall he be counted for the purpose of any resolution regarding the same in the quorum present at the meeting, but this bye-law shall not apply to any of the following matters, namely :-

- (ii) any arrangement for giving to him any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company;
- (ii) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of security;
- (iv) any contract by him to subscribe for or underwrite shares or debentures of the Company;
- (v) any contract or arrangement with any other company in which he is interested only as a Director or officer or creditor of and not as a shareholder in or beneficially interested in shares of that company;
- (vi) any such scheme or fund as is referred to in Bye-Law 79, which relates both to Directors and to employees or a class of employees and does not accord to any Director as such any privilege or advantage not generally accorded to the employees to which such scheme or fund relates.

The Company in General meeting may suspend or relax the provisions of this bye-law to any extent (and either generally or in respect of any particular contract, arrangement or transaction) or ratify any particular contract, arrangement or transaction carried out in contravention of this bye-law.

92. A Director notwithstanding his interest may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company or whereat the terms of any such appointment as hereinbefore mentioned are considered or varied, and he may vote any such matter other than in respect of his own appointment or the arrangement or variation of the terms thereof.

93. The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by the provisions of Bye-Law 74 the continuing Directors or Director may act for the purpose of filling up such vacancies or of summoning General Meetings, but not for any other purpose. If there be no Directors or Director able or willing to act, then any two Members may summon a General Meeting for the purpose of appointing Directors.

94. At any meeting of the Directors, the Chairman and in his absence the Deputy Chairman shall act as chairman of the meeting. If at any meeting neither be present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

95. A resolution in writing signed by a majority of the Directors for the time being shall be as effective as a resolution passed at a meeting of the Directors duly convened and held and may consist of several documents in the like form, each signed by one or more of the Directors.

96. The Directors may delegate any of their powers to committees consisting of such one or more members of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors.

97. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these presents 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 the last preceding bye-law.

98. All acts done by any meeting of Directors, or of a committee of Directors, or by any person acting as a Director, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment or continuance in office of any such Director, or person acting as aforesaid, or that they or any of them were disqualified or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

### **BORROWING POWERS**

99. (a) Subject to the provisions of paragraph (b) hereof the Directors may borrow or raise from time to time for such purposes of the Company such sums as they deem fit.

(b) The Directors shall procure that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by the Company (excluding any moneys received in the ordinary course of business by the Company on deposit or current account) shall not

without the previous sanction of an ordinary resolution of the Company exceed US\$ 310 million, provided that no such sanction shall be required for the borrowing of any moneys intended to be applied and actually applied within ninety days in the repayment (with or without any premium) of any moneys then already borrowed and outstanding. No lender or other person dealing with the Company shall be concerned to see or enquire whether these limits are observed.

(c) For the purposes of the said limit the issue of debentures, debenture stock or other securities (other than the securities hereinafter referred to) shall be deemed to constitute borrowing notwithstanding that the same may be issued in whole or in part for a consideration other than cash. This paragraph shall not apply to the units of Loan Stock 1982 and Loan Stock 1978 constituted by a Trust Deed made the 26<sup>th</sup> day of June, 1970 between the Company of the one part and Barclays Bank D.C.O. of the other part.

100. The Directors may raise or secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they may think fit and in particular by the issue of debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

101. Debentures, debenture stock, or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

102. Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, drawings, allotment of or exchange into shares, attending and voting at General Meetings of the Company, appointment of Directors, and otherwise.

## **GENERAL POWERS OF DIRECTORS**

103. The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by statute or by these presents required to be exercised by the Company in General Meeting, subject nevertheless to any regulations of these presents, to the provisions of any statute and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the shareholders in General Meeting, but no regulations so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this bye-law shall not be limited or restricted by any special authority or power given to the Directors by any other bye-law.

104. The Directors may take all steps which may be necessary or expedient in order to enable the shares, debentures and other securities of the Company to be introduced into and dealt in any Country, Dominion, Colony or State, and to procure the same to be recognised by and specially quoted upon any Stock Exchange or Bourse in any Country, Dominion, Colony or State, and may accept responsibility for and pay and discharge all taxes, duties, fees, expenses or other sums which may be payable in relation to any of the matters aforesaid, and may subscribe and comply with the laws and regulations of any such Country, Dominion, Colony or State, and the rules and regulations of any such Exchange or Bourse.

105. The Directors may establish any Local Boards or Agencies for managing any of the affairs of the Company either in Bermuda or elsewhere, and may appoint any persons to be members of such Local Boards, or any Managers or Agents, and may fix their remuneration, and may delegate to any Local Board, Manager or Agent, with power to sub-delegate, any of the powers, authorities and discretions vested in the Directors (other than the power to make calls), and may authorise the members of any Local Boards, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

106. The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such Attorney as the Directors may think fit, and may also authorise any such Attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

107. The Company may cause to be kept in any country outside of Bermuda a Local Register or Registers of Members resident there or elsewhere, and the Directors may from time to time appoint an authority in the country or territory in which such Local Register is kept to approve of or reject transfers, and to direct the registration of approved transfers in such Local Register, and every such authority may in respect of transfers or other entries proposed to be registered in the Local Register for which such authority is appointed, exercise all the powers of the Directors in the same manner and to the same extent and effect as if the Directors themselves were actually present in such country or territory and exercised the same. Subject to the provisions of the Act and to the foregoing provisions, the Directors may from time to time make such provisions as they think fit respecting the keeping of any such register.

108. Except to the extent permitted by the Act no part of the funds of the Company shall be employed in the subscription for or purchase of or in loans upon the security of shares in the Company or in any company which is its holding company nor shall the Company directly or indirectly give any financial assistance for the purpose of or in connection with a subscription for or purchase of such shares or make any loan to any of the Directors or to any director of any company which is its holding company or enter into any guarantee or provide any security in connection with any such loan. The powers of the Directors shall be restricted accordingly.

## **THE SEAL**

109. In addition to its Common Seal for use in Bermuda the Company may have one or more additional Seals, as the Directors may determine, for use in any territory outside Bermuda. The Directors shall provide for the safe custody of the Seals, 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, save as provided in Bye-Law 110, every instrument to which a Seal shall be affixed shall be signed autographically by one Director and the Secretary or by two Directors (or, if authorised thereto by



the Directors, in the case of an official seal by one or more members of a Local Committee or Board and by the Local Secretary or representative of the Local Secretaries) save that as regards any certificates for shares or debentures or other securities of the Company the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature provided that such certificates shall first have been approved for sealing by the Auditors, Transfer Auditors or Bankers of the Company in writing.

### **AUTHENTICATION OF DOCUMENTS**

110. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate over a Seal of the Company any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee of the Directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts there from as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee of the Directors which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

### **RESERVES**

111. The Directors may, before recommending any dividend, write off such sum as they think proper for depreciation, and may set aside out of the profits of the Company such sum as they think proper as a Reserve Fund, which shall, at the discretion of the Directors, be applicable for meeting contingencies, for the gradual liquidation of any debt or liability of the Company, or for repairing, maintaining or adding to the property of the Company, or otherwise promoting the interests of the Company, or shall be as to the whole or in part applicable for equalising dividends or for distribution by way of bonus among the Members of the Company for the time being. The Directors may divide the Reserve Fund into such special funds as they think fit, with full power to employ the assets constituting the Reserve Fund in the business of the Company, and that without being bound to keep the same separate from the other assets.

### **DIVIDENDS**

112. The Directors may, or the Company on the recommendation of the Directors may, from time to time declare a dividend to be paid to the Members out of the profits available for dividend as hereinafter defined. All such dividends shall be paid to the Members in accordance with their rights and interests in the profits and in proportion to the amount paid up on the shares during any portion or portions of the period in respect of which this dividend is paid but excluding any amount paid in advance of calls.

113. No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend. No dividend shall be payable except out of the profits of the Company, and no dividend shall carry interest as against the Company. The declaration of the Directors as to the amount of the profits of the Company shall be conclusive.

114. The Directors may from time to time pay to the Members on account of the next forthcoming dividend, such interim dividends as in their judgment the position of the Company justifies.

115. The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

116. The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member, or which any person is under those provisions entitled to transfer until such person shall become a Member in respect of such shares or shall transfer the same.

117. The payment by the Director of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

118. The Company in General Meeting may upon the recommendation of the Directors direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid up shares or debentures of any other company) and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

119. Each dividend, any interest or other moneys payable to the registered holder of shares may be paid by cheque or warrant or, at the specific request of such holder, by electronic funds transfer or similar system whereby a nominated bank or building society account is credited ("EFT"), or otherwise, as the Directors may from time to time determine and may, if paid otherwise than by EFT, be sent by post to the last registered address of the Member entitled thereto, or any other address requested by him in writing, or in the case of joint holders to that one of them first named in the register in respect of such joint holdings, and the payment of such cheque or warrant, or the initiation in the office of the transfer secretary of the process of EFT, shall be a good discharge to the Company in respect thereof.

120. If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

121. (a) The Directors may, in respect of any dividend declared or proposed to be declared and provided that an adequate number of unissued ordinary shares are available for the purpose and under their control, determine that ordinary shareholders will be entitled to elect to receive in lieu of such dividend or part thereof an allotment of additional ordinary shares as capitalisation shares credited as fully paid. In any such case the following provisions shall apply:

- (i) the basis of allotment of capitalisation shares shall be determined by the Directors;

- (ii) no fraction of a capitalisation share will be allotted;
- (iii) the capitalisation shares so allotted shall rank *pari passu* in all respects with the ordinary shares then in issue save only as regards participation in the relevant dividend or share election in lieu;
- (iv) the Directors may on any occasion determine that no such right so to elect shall be given to any Member in any jurisdiction in which the grant of such right is, in the opinion of the directors, unlawful or prejudicial to the interests of the Company.

(b) The provisions of this bye-law shall *mutatis mutandis* apply to capitalisations to be effected in pursuance of the next following bye-law.

### **CAPITALISATION OF PROFITS AND RESERVES**

122. The Company in General Meeting may upon the recommendation of the Directors authorise the Directors to capitalise any sum standing to the credit of any of the Company's reserve accounts (including Share Premium Account and Capital Redemption Reserve Fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution and so appropriate such sum to the holders of Ordinary Shares in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend on the Ordinary Shares and to apply such sum on their behalf in paying up in full unissued shares (not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them in the proportion aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalisation, with full power to the Directors to make such provisions as they think fit for the case of shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

### **MINUTES AND BOOKS**

123. The Directors shall cause Minutes to be made in books provided for the purpose :-

- (i) of all appointments of Officers made by the Directors;
- (ii) of the names of the Directors present at each meeting of Directors and of any committee of Directors;
- (iii) of all resolutions and proceedings at all meetings of the Company and of any class of Members of the Company and of the Directors and of committees of the Directors.

124. Any register, index, minute book, book of account or other book required by these presents or the Act to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating its discovery.

## **ACCOUNTS**

125. The books of account shall be kept at the Office, or at such other place within Bermuda as the Directors think fit, and shall always be open to the inspection of the Directors. No Member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Act or authorised by the Directors.

126. At the Annual General Meeting in every year the Directors shall lay before the Company a Balance Sheet and Profit and Loss Account containing a summary of the assets and liabilities of the Company made up to the end of the last preceding financial year.

127. (a) A copy of every such Balance Sheet and Profit and Loss Account which is to be laid before an Annual General Meeting of the Company shall not less than twenty-one days before the date of the meeting be sent to every Member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Act or of these presents provided that this bye-law shall not require a copy of these documents to be sent to more than one of joint holders or to any person who is not entitled to receive notices of meetings and of whose address the Company is not aware, but any Member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. Whenever quotation on any Stock Exchange in the United Kingdom or elsewhere for all or any of the shares or debentures of the Company shall for the time being be in force, there shall be forwarded to the appropriate officer of such Stock Exchange such number of copies of such documents as may for the time being be required under its regulations or practice.

(b) If the Company has any subsidiaries the Directors' report attached to each Balance sheet issued by the Company shall disclose full details of all Extraordinary Resolutions and of resolutions passed at Extraordinary General Meetings of the Company's subsidiaries since the date of the Directors' report attached to the previous Balance Sheet of the Company.

## **AUDIT**

128. The Company at each Annual General Meeting shall appoint an Auditor or Auditors to hold office until the next Annual General Meeting, and the following provisions shall have effect (that is to say) :-

- (i) A Director or Officer of the Company or a person being a partner or in the employment of any Officer of the Company shall not be capable of being appointed Auditor.

- (ii) The Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues the surviving or continuing Auditor or Auditors (if any) may act.
- (iii) The remuneration of the Auditors shall be fixed by the Company in General Meeting.

129. The Auditors shall make a report to the Members on the accounts examined by them and on every Balance Sheet laid before the Company in General Meeting during their tenure of office.

The report shall be read before the Company in General Meeting and shall be open to inspection by any Member. Any Member shall be entitled to be furnished, within seven days after he has made a request in that behalf to the Company, with a copy of the Balance Sheet and Auditors' Report.

130. Every Account of the Directors, when audited and approved by a General Meeting, shall be conclusive except as regards any error discovered therein within three months next after the approval thereof.

## **NOTICES**

131. Any notice or document (including a share certificate) may be served on or delivered to any Member by the Company either personally or by sending it through the post in a prepaid cover addressed to such Member at his registered address. Any notice sent by post shall be deemed to have been served at the time when the letter, envelope or wrapper containing the same is posted, and in proving such service it shall be sufficient to prove that the letter, envelope or wrapper containing the notice was properly addressed, and put into the post office, and a certificate in writing signed by any Manager, Secretary or Officer of the Company that the envelope or wrapper containing the same was so addressed and posted shall be conclusive evidence thereof.

132. In respect of joint holdings all notices shall be given to that one of the joint holders whose name stands first in the Register of Members and notice so given shall be sufficient notice to all joint holders.

133. A person entitled to a share in consequence of the death or bankruptcy of a Member upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, shall be entitled to have served upon or delivered to him at his address any notice or document to which the Member but for his death or bankruptcy would be entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the registered address of any Member in pursuance of these presents shall, notwithstanding that such Member be then dead or bankrupt, and whether or not the Company have notice of his death or bankruptcy, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder.

## **WINDING UP**

134. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the Court) the Liquidator may, with the authority of an Extraordinary Resolution, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members. The Liquidator may, with like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

## **INDEMNITY**

135. Every Director, Manager, Secretary and other officer or servant of the Company 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, all costs, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or deed done by him as such officer or servant, or in any way in the discharge of his duties, including travelling expenses.

136. No Director or other Officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or for any loss or damage occasioned by any error of judgement or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happen through his own wilful act or default.

## **ALTERATION OF BYE-LAW**

137. No bye-law shall be rescinded, altered or amended and no new bye-law shall be made until the same has been proposed at a meeting of the Directors and passed by Extraordinary Resolution at a subsequent Annual or Special General Meeting.