

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if not, by another appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document and the accompanying Form of Proxy and Form of Direction as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. If you have sold or otherwise transferred some of your Ordinary Shares, you should contact your stockbroker, banker or other agent through whom the sale or transfer was effected as to the action you should take.

---

# CHAARAT

## Chaarat Gold Holdings Limited

*(Incorporated in the British Virgin Islands with registered number 1420336)*

### **Proposed Recapitalisation (including Delisting) and Notice of General Meeting**

---

**This document should be read in conjunction with the accompanying Form of Proxy, Form of Direction and the Notice of General Meeting set out at the end of this document. Your attention is drawn to the letter from the Independent Non-Executive Chairman of Chaarat Gold Holdings Limited set out on pages 4 to 11 of this document which recommends you to vote in favour of the Resolutions to be proposed at the General Meeting.**

Notice of a General Meeting of the Company to be held at the offices of Shakespeare Martineau LLP, 6th Floor, 60 Gracechurch Street, London, EC3V 0HR at 11am on 8 August 2024 is set out at the end of this document.

Certain statements contained in this document are or may constitute “**forward looking statements**”. Such forward looking statements involve risks, uncertainties and other factors which may cause the actual results, performance or achievement of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other factors include, among others, changes in the credit markets, changes in interest rates, a fall in the price of gold, legislative and regulatory changes, changes in taxation regimes, and general economic and business conditions, particularly in the United Kingdom and the Kyrgyz Republic. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. Any forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Company’s expectations with regard to these or any change in events, conditions or circumstances on which any such statements are based. As a result of these factors, the events described in the forward-looking statements in this document may not occur either partially or at all.

The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS<sup>(1)(2)(3)</sup>

Posting of this circular and forms of proxy/direction	16 July 2024
Announcement of the Recapitalisation (including Delisting)	16 July 2024
Latest time and date for receipt of online proxy votes or completed forms of proxy/direction in respect of the General Meeting	11am on 6 August 2024
General Meeting	11am on 8 August 2024
Signature of the Deed Poll (as defined below) to amend and restate the Instrument (as defined below) and related security documents described in this document	Following the General Meeting on 8 August 2024
Expected final day of trading on AIM for the Ordinary Shares	15 August 2024
Expected time and date of Delisting	7am on 16 August 2024
Issue of the Recapitalisation Conversion Shares and further Shares to Labro and MA as a result of the Debt Capitalisation Deed	on or shortly following 16 August 2024
Matched bargain dealing facility for Ordinary Shares expected to commence	on or shortly following 16 August 2024

### Notes:

- (1) All of the times referred to in this circular refer to London time, unless otherwise stated.
- (2) Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and dates will be notified to Shareholders by an announcement through a Regulatory Information Service and/or the Company's website.
- (3) Defined terms are as per those defined in the Letter from the Chairman.

## KEY STATISTICS<sup>(1)</sup>

Number of existing Ordinary Shares	728,056,182
Number of Recapitalisation Conversion Shares to be issued to the Noteholders, excluding those to Labro	7,332,991,254
Number of Recapitalisation Conversion Shares to be issued to Labro	393,797,058
Number of Ordinary Shares to be issued to MA pursuant to the Debt Recapitalisation Deed, in respect of settlement of the Deferred Salary	214,500,000
Number of Ordinary Shares to be issued to Labro pursuant to the Debt Recapitalisation Deed, in respect of settlement of the Labro Working Capital Facility	897,000,000
Number of Ordinary Shares to be issued to certain members of the senior management team	6,000,000
Number of Ordinary Shares to be issued to Galian Partners, the Company's restructuring adviser	7,050,000
Expected enlarged number of Ordinary Shares following the abovementioned issues of Ordinary Shares	9,579,394,494
Issue price of abovementioned issues of Ordinary Shares	0.2 pence
USD:GBP	0.78

**Notes:**

(1) Defined terms are as per those defined in the Letter from the Chairman

# LETTER FROM THE CHAIRMAN OF CHAARAT GOLD HOLDINGS LIMITED

(incorporated in the British Virgin Islands under the laws of the British Virgin Islands with registered number 1420336)

Registered Office: Palm Grove House, Po Box 428, Road Town, Tortola, British Virgin Islands, VG1110

## Directors

Gordon Wylie (Independent Non-Executive Chairman)  
Robert Edwards (Independent Non-Executive Director)  
Robert Benbow (Non-Executive Director)  
Hussein Barma (Independent Non-Executive Director)  
Sandy Stash (Independent Non-Executive Director)

16 July 2024

Dear Shareholder,

## Proposed Recapitalisation (including Delisting) and Notice of General Meeting

### 1. Introduction

Pursuant to the Company's convertible loan note instrument (as amended and extended from time to time, the "**Instrument**"), the principal and accrued interest, together with restructuring fees, on the Company's secured convertible loan notes (the "**Notes**"), which totals US\$39,492,277 (as at 31 July 2024), is due on the final repayment date of 31 July 2024 (with a grace period of 10 business days). A further balance of US\$2,300,000 (as at 31 July 2024) is due to be repaid by the Company by 30 September 2024 pursuant to the working capital facility entered into between the Company and Labro Investments Limited ("**Labro**") (the "**Labro Working Capital Facility**"). No further drawdowns on the Labro Working Capital Facility are available to the Company as at the date of this document.

Following discussions between the directors of the Company (the "**Directors**") and representatives of the majority of convertible loan note holders over recent weeks and months (the "**CLN Representatives**"), the Company has agreed the structure of a proposed restructuring of the Notes, the capitalisation of sums owing under the Labro Working Capital Facility and the capitalisation of the US\$550,000 deferred salary owed to Martin Andersson ("**MA**") (the "**Deferred Salary**"), the provision of additional working capital to the Company and the cancellation of the admission of the Company's ordinary shares ("**Shares**" or "**Ordinary Shares**") to trading on AIM (the "**Delisting**"), as detailed further at paragraphs 2 and 6 below (the "**Recapitalisation**"). The Directors believe there to be no viable alternative funding option available to the Company as at the date of this circular that would provide a better outcome for creditors and Shareholders.

Accordingly, the Company is requesting the support of Shareholders for the passing of the resolutions set out in the notice of meeting appended to this circular (the "**Resolutions**") with a view to effecting the Recapitalisation. The Resolutions will be proposed at a general meeting of the Company to be held on 8 August 2024 (the "**General Meeting**").

### 2. Recapitalisation

The Recapitalisation involves or will involve, amongst other things, the following transactions and actions (together, the "**Proposed Transactions**"):

- (a) certain amendments to the Instrument including, in respect of the principal amount of US\$19,680,000 to be left outstanding on the Notes after the conversion referred to at (c) below:
  - (i) the extension of the maturity date from 31 July 2024 to 1 December 2025;
  - (ii) the upsize of the Instrument by up to US\$5,000,000 and a total commitment from a subset of certain existing Noteholders to make:
    - (A) US\$250,000 available 5 Business Days following the later of the date of execution of the Subscription Agreements (defined below) or satisfaction of the conditions thereunder (the "**Initial Advance**") following issue of this circular to the Shareholders to approve the Proposed Transactions at the General Meeting to be evidenced by the issue of additional loan notes (the "**Additional Notes**") governed by the terms of the Instrument (as amended and restated), provided that for the period from the date that the Initial Advance is made until such time as the Deed Poll (defined below) takes legal effect, the Initial Advance shall be evidenced by the issue of Ordinary Notes (defined below) governed by the terms of the Instrument and be secured by the existing security arrangements, in each case, in force at the date of this document (and such Ordinary Notes shall be automatically redesignated into Additional Notes conditional upon the Deed Poll being executed);
    - (B) the US\$4,750,000 balance to be capable of being drawn down by the Company in tranches up to and including 1 December 2025 but subject to consent by the noteholder representative (the "**Noteholder Representative**") (which is proposed to be certain core Noteholders acting collectively as the "Noteholder Representative" for the purposes of the amended Instrument), such balance to be made available by either:

- 1) nine initial Noteholder investors who have, subject to paragraph (2) below, committed to underwrite and subscribe to the full US\$4,750,000 balance (provided that any drawdown by the Company is subject to the consent of the Noteholder Representative); or
- 2) certain prospective Shareholder investors and other noteholders (which excludes Labro, MA and their respective associates) who may in aggregate subscribe to up to US\$1,000,000 of the US\$4,750,000 balance, provided that any such investor must commit a minimum of US\$100,000, must make an expression of interest to participate within seven business days of the date of this document and must execute a subscription letter by no later than the date of the General Meeting,

in each case, subject to certain conditions being satisfied prior to the relevant drawdown;

- (iii) save as set out in the Instrument, the Additional Notes shall rank *pari passu* with the existing up to US\$100,000,000 secured convertible loan notes (the “**Ordinary Notes**”, together with the Additional Notes, the “**Notes**”);
- (iv) the Additional Notes are intended to benefit from the security arrangements under the Security Deed and the Company shall provide a security confirmation to The Law Debenture Trust Corporation p.l.c. (the “**Security Trustee**”) in that respect. A further shares security deed supplemental to the Security Deed (the “**Supplemental Security Deed**”) shall also be entered into by the Company in favour of the Security Trustee which shall expressly include the Additional Notes as part of the “Secured Liabilities” thereunder. The Additional Notes shall be further secured by a new debenture (the “**Additional Notes Debenture**”) which shall be held by the Security Trustee pursuant to the terms of the Security Trust Deed (which shall be amended and restated to reflect the constitution of the Additional Notes);
- (v) an amendment to the conversion rights, so as to enable the Noteholders to elect to convert the Notes into Shares at a conversion price that equates to 2 pence per Ordinary Share, subject to adjustment for any sub-division or consolidation;
- (vi) the reduction of the interest rate under Condition 1(a) of the Instrument from 20% per annum to 15% per annum, payable annually in arrears;
- (vii) the provision for the interest accrued on the Ordinary Notes in the period on or after 1 August 2024 to be paid as payment-in-kind interest, by way of the issue of Ordinary Shares in the Company at a price of 0.25 pence per Share (the “**PIK Shares**”), pursuant to the terms of the Instrument;
- (viii) the addition of 15-month lock-up provisions in respect of the Recapitalisation Conversion Shares (as defined below), PIK Shares and any future conversion shares issued within the 15-month lock-up period, which for the avoidance of doubt does not include any Shares currently held by the Noteholders other than those Noteholders who have entered into Lock-In Letters (defined below);
- (ix) the provision of certain consent rights for the Noteholders in respect of certain material matters in respect of the Notes;
- (x) the provision of rights for the Noteholder Representative to receive additional documents and information from the Company;
- (xi) the provision of rights for the Noteholder Representative to appoint a majority of the directors on the board of the Company and any subsidiary of the Company; and
- (xii) the provision of revised voting rights attached to the Notes, whereby the passing of majority resolutions shall only be carried if holders of 50% of the votes attaching to the Notes and also if holders of 50% of the votes attaching to the Additional Notes vote in favour;
- (b) entry into subscription agreements between certain existing Noteholders and the Company in respect of the Additional Notes (the “**Subscription Agreements**”);
- (c) the conversion of all outstanding interest and restructuring fees (save for the interest accrued on the Initial Advance, which shall be settled in cash) owed on the Notes from 11 September 2018 to 31 July 2024 (inclusive), being US\$19,812,277 on 31 July 2024 into Ordinary Shares, such conversion to be satisfied by the allotment and issue of Ordinary Shares (“**Recapitalisation Conversion Shares**”) to each Noteholder, which are to be subject to the lock-up provisions referred to above, on the basis of 390 Recapitalisation Conversion Shares per US\$1 owed (pro-rated if applicable), calculated on the same basis so as to result in:
  - (i) the Noteholders holding approximately 80.7% (including Labro and MA);
  - (ii) the Noteholders holding approximately 76.5% (excluding Labro and MA);
  - (iii) Labro holding approximately 16.9%;
  - (iv) MA holding approximately 2.3%; and
  - (v) the remaining shareholders holding approximately 4.3%,

of the Company’s issued share capital immediately following such conversion (and the conversion of other debt owed by the Company to Labro and MA) (but excluding any future conversion of any principal or interest on the Notes), conditional upon the passing of the Resolutions at the General Meeting;

- (d) certain amendments to the memorandum and articles of association of the Company and the adoption of such new constitutional documents including, among other things, the removal of mandatory bid provisions, the reduction of voting

thresholds for members special resolutions to 50.01% (which must include certain Noteholders who hold Recapitalisation Conversion Shares or other Shares), the provision of drag along rights for the holder(s) of 50.01% of the voting rights of Shares, and a right of first refusal to holders of Additional Notes to acquire Shares proposed to be transferred by Shareholders (with certain exceptions such as customary permitted transfers and share transfers in connection with the matched bargain dealing facility referred to at paragraph 6 below) (the “**Amended Articles**”);

- (e) the repayment and cancellation of the Labro Working Capital Facility through issuing shares to Labro, at the same conversion price as for the Recapitalisation Conversion Shares outlined in paragraph (c) above, and the release of the related security, documented in a debt capitalisation deed dated 15 July 2024 (the “**Debt Capitalisation Deed**”);
- (f) the repayment of the Deferred Salary through issuing shares to MA, at the same conversion price as for the Recapitalisation Conversion Shares outlined in paragraph (c) above and as documented in the Debt Capitalisation Deed;
- (g) the entry into irrevocable shareholder undertakings dated 15 July 2024 by Labro, MA and certain Noteholders (the “**Irrevocable Undertakings**”) to vote in favour of the Resolutions and the Noteholder Resolutions (defined below);
- (h) the entry into lock-in letters dated 15 July 2024 with certain existing Noteholders in respect of the Recapitalisation Conversion Shares and PIK Shares arising from the Recapitalisation, any future conversion shares issued pursuant to the terms of the Instrument within the 15-month lock up period and any existing shares held, subject to customary exemptions (the “**Lock-In Letters**”);
- (i) the issue of 6,000,000 Shares to certain members of the Company’s senior management team and 7,050,000 Shares to the Company’s restructuring adviser, Galian Partners LLP; and
- (j) the Delisting.

As part of the Recapitalisation, the Directors have waived the provisions of Regulation 19 as it may apply to the Proposed Transactions by way of board resolution, such that Regulation 19 will not require the recipients of Shares issued pursuant to the terms of the Recapitalisation to make a mandatory offer to the other Shareholders. Shareholders should refer to Resolution 5 set out in the Resolutions, which requests the approval of the Shareholders to disapply the provisions of Regulation 19 in the same manner.

The following documents have been or will be required to be entered into or adopted by the Company as appropriate to effect the Proposed Transactions:

- (a) the Subscription Agreements;
- (b) a deed poll, which reflects the amendments set out in Paragraph 2(a)(i) to (xii) above and appends the form of the amended and restated Instrument (the “**Deed Poll**”);
- (c) the Additional Notes Debenture;
- (d) the Supplemental Security Deed;
- (e) an amendment and restatement deed appending an amended and restated Security Trust Deed;
- (f) the Debt Capitalisation Deed;
- (g) the Amended Articles;
- (h) the Irrevocable Undertakings;
- (i) the Lock-In Letters; and
- (j) a written resolution of Noteholders requiring approval by majority resolution of the Noteholders (the “**Noteholder Resolutions**”).

(together, the “**Recapitalisation Documents**”).

Shareholders should note that the issue of the Recapitalisation Conversion Shares and the issue of further Shares as a result of the Debt Capitalisation Deed shall lead to very substantial dilution of existing shareholdings. Shareholders will have the opportunity to exit their investment in the Company both prior to and following the Delisting, as detailed further at paragraph 6 below.

The Deed Poll and the related security documents described at (c) to (e) above are expected to be signed shortly following the General Meeting on 8 August 2024 (so as to take effect prior to expiry of the existing grace period under the Notes).

### **3. Board/Management Updates, Funding Position and Future Strategy**

On 2 July 2024, the Company announced that, at the request of the Board of the Company, Martin Andersson had agreed to step down from his role as Executive Chairman with immediate effect, to avoid actual or potential conflicts of interests in view of the proposed Recapitalisation as well as his interests in Labro. Martin Andersson has now resigned from his position as non-executive director of the Company with immediate effect upon announcement of the Recapitalisation today.

As you are aware, Labro is a substantial shareholder of the Company and also holds a portion of the Notes. Labro continues to have a right to appoint a director to the board pursuant to its relationship agreement with the Company for so long as it holds 20% of the Company's Shares.

As further announced on 2 July 2024, Gordon Wylie, previously Senior Independent Non-Executive Director of the Company, has been appointed as the Independent Non-Executive Chairman and David Mackenzie has been appointed as Acting Chief Executive Officer.

The new composition of the Board shall be determined following the Delisting noting that, as part of the Recapitalisation, the Noteholders shall be granted the right to appoint a majority of Directors on the Board, except that in respect of the period between the date that the Initial Advance is made to the Company and until such time that the Resolutions are passed, the Noteholders will have a contractual right to appoint one director and one observer to the Board of the Company (on the proviso that the director appointment is subject to the approval of the nominated adviser of the Company).

The receipt of the US\$250,000 noted in paragraph 2(a)(ii)(A) above is expected to provide the Company with sufficient cash through to the end of August 2024. Further drawdowns of the Additional Notes (which as noted above are subject to certain conditions) up to the maximum US\$5 million, is expected to provide the Company with sufficient cash into Q4 2025.

In terms of future strategy, the Company, under a restructured board, with an improved balance sheet, will continue to focus its activities on maximising the value of its Kyrgyz Republic assets.

#### **4. Related party transactions**

The Company and MA's agreement to the capitalisation of the Deferred Salary, and the Company and Labro's agreement to amending the terms of the Notes held by Labro and capitalisation of the sums owing under the Labro Working Capital Facility will constitute related party transactions under AIM Rule 13 of the AIM Rules for Companies.

The Directors consider, having consulted with the Company's Nominated Adviser, that the terms of the capitalisation of the Deferred Salary, the amendment to the terms of the Notes held by Labro and the capitalisation of the sums owing under the Labro Working Capital Facility are fair and reasonable insofar as the Shareholders are concerned.

In reaching this fair and reasonable conclusion, and noting that the outcome is a reduction in the Company's free float to approximately 4.1%, particular consideration has been given by the Directors to the fact that the terms of the Recapitalisation require the capitalisation of amounts owing under the Labro Working Capital Facility and the Deferred Salary, and that any refusal of the Directors to accept these terms (subject to Shareholder approval) would have forced the Company into immediate insolvency proceedings. The conversion of both amounts will additionally remove liabilities of approximately US\$2.85 million from the Company's balance sheet.

#### **5. Irrevocable Undertakings**

Labro, MA and certain other major Shareholders and Noteholders have entered into irrevocable undertakings covering 49.6 per cent. of the Shares pursuant to which they irrevocably and unconditionally confirm, undertake and warrant to the Company that, *inter alia*, they will vote in favour of the Resolutions and Noteholder Resolutions. The Company has already received the required approval of the Noteholder Resolutions.

#### **6. Delisting and intended implementation of Matched Bargain Dealing Facility**

The Delisting is an integral part of the Recapitalisation agreed between the Company and the CLN Representatives. If the Delisting becomes effective, Shareholders should be aware of the implications and principal effects of the Delisting, which include the following:

- (a) there will be no public market or trading facility on any recognised investment exchange for the Shares and, consequently, there can be no guarantee that a Shareholder will be able to purchase or sell any Shares. Accordingly, whilst the intention is to implement an off-market trading facility, the opportunity for Shareholders to realise their investment in the Company will be much more limited and there will be no public market valuation of Shares held;
- (b) it is probable that the liquidity and the marketability of the Shares may be significantly reduced by the proposal for the Delisting and the value of such Shares whilst the Company is still admitted to trading on AIM may be adversely affected as a consequence;
- (c) the regulatory and financial reporting regime applicable to companies whose shares are admitted to trading on AIM will no longer apply;
- (d) Shareholders will no longer be afforded the protections given by the AIM Rules, such as the requirement for the Company to retain a nominated adviser and broker, to be notified of certain events, including substantial transactions, financing transactions, related party transactions and fundamental changes in the Company's business, including certain acquisitions and disposals;
- (e) as an unlisted company, the Company will be subject to fewer operational restrictions than as a listed company. In addition, as an unlisted company, the Company may be subject to less stringent accounting and reporting requirements;

- (f) the Delisting may have either positive or negative taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult their own professional independent adviser immediately; and
- (g) there will be reduced controls over the terms of capital raises and issuances of new Shares to related parties (such as substantial shareholders).

Shareholders should be aware that, in the event the Delisting becomes effective, the liquidity and marketability of the Shares may be significantly reduced.

The Directors are aware that Shareholders may be unable or unwilling to hold Shares in the event that the Delisting become effective. Such Shareholders should consider selling their interests in the market ahead of the Delisting. However, the Company intends to put in place, following the Delisting, a matched bargain dealing facility to enable off market trading for a period of time (which is expected to be six months) in order to provide minority Shareholders who do not exit their investment ahead of the Delisting taking effect an opportunity to trade out of their position (subject to buy-side demand). Further details will be provided in due course on such facility, should it be put in place of which there is no guarantee.

## 7. Amended Articles

The proposed Amended Articles incorporate certain changes, including the following, which would only take effect after the Delisting:

- (a) the inclusion of a drag provision enabling holders of 50.01% or more of the Shares (which must include certain Noteholders who hold Recapitalisation Conversion Shares or other Shares) who wish to transfer all of their interest in Shares to a *bona fide* arm's length proposed purchaser (the "**Proposed Purchaser**"), to have the option to compel each other holder of Shares to sell or transfer all their Shares to such Proposed Purchaser on the same terms, as well as the option to compel each other holder of Shares to take any action necessary to implement a sale by the Company of all or substantial part of its undertaking and assets to a bona fide third party;
- (b) the removal of the pre-existing mandatory bid provisions whereby the Directors may require a mandatory bid to be made in certain circumstances where a third party acquires a controlling interest;
- (c) the lowering of the threshold to pass special resolutions of members to 50.01% of the Shares (which must include certain Noteholders who hold Recapitalisation Conversion Shares or other Shares);
- (d) the inclusion of a weighted voting right for directors appointed by the Noteholder Representative ("**CLN Director**") whereby if CLN Directors do not comprise the majority of directors on the board of the Company from time to time (including due to absence of any CLN Director at a board meeting), then the vote of any unappointed or absent CLN Director shall automatically be exercisable by the other CLN Directors such that the CLN Directors present at a board meeting shall always have at least the majority of votes to carry any board resolution;
- (e) the inclusion of a right of first refusal regime whereby any proposed transfer of Shares (excluding any shares to be sold under the matched bargain dealing facility referred to at paragraph 6 above and certain other customary carve-outs) shall be offered to Additional Noteholders at the first instance on the same terms as with the proposed buyer; and
- (f) the maximum number of shares of the Company, which previously stood at 1,395,167,015 Shares of US\$0.01 to be increased to 12,728,056,182 Shares of US\$0.01, to allow for the Recapitalisation to occur.

## 8. Recommendation

**Should the Resolutions not be approved at the General Meeting then, based on the liabilities of the Company, in particular those due pursuant to the Notes, the Company will be forced into insolvency proceedings, in which case Shareholders will most likely realise zero value from their investment into the Company. Shareholders should note that the insolvency proceedings would also trigger an immediate suspension from trading of the Company's Shares.**

**Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions.**

Yours faithfully,

**Gordon Wylie**

Independent Non-Executive Chairman



## Notice of General Meeting

Notice is hereby given that a general meeting (the “**Meeting**”) of Chaarat Gold Holdings Limited (the “**Company**”) will be held on 8 August 2024 at 11am at the offices of Shakespeare Martineau LLP, 6th Floor, 60 Gracechurch Street, London, EC3V 0HR to consider, and if thought fit, passing the following resolutions.

### Ordinary Resolution

1. To authorise, in accordance with Regulations 3.1 to 3.7 of the Memorandum and Articles of Association of the Company (the “**Articles**”), the directors of the Company to allot up to 12,000,000,000 Relevant Securities (as defined in Regulation 3.2 of the Articles, and in addition to the Company’s existing authority to allot Relevant Securities under the Articles) from the date of these resolutions until 8 August 2025, including any allotment made after such authority has expired of Relevant Securities which are allotted in pursuance of an offer or agreement made by the Company before such authority has expired and, conditional on the passing of Special Resolution 4, the existing maximum number of authorised shares of the Company provided at paragraph 5.1 of the memorandum of association of the Company shall be increased to 12,728,056,182.

### Special Resolutions

2. Subject to and conditional on the passing of Resolution 1, to authorise, in accordance with Regulation 5.1 of the Articles, the directors of the Company to allot Equity Securities (as defined in Regulation 4.8 of the Articles, and in addition to the Company’s existing authority to allot Equity Securities under the Articles) pursuant to the general authority granted under resolution 1 above as if the pre-emption rights contained in Regulations 4.1 to 4.6 and Regulation 4.8 of the Articles did not apply to such allotment.
3. THAT, subject to and conditional on the passing of Resolutions 1 and 2, the admission of the Company’s ordinary shares of \$US0.01 each to trading on AIM, a market operated by the London Stock Exchange plc, be cancelled (the “**Delisting**”) and that each of the directors and officers of the Company be authorised and directed to execute and deliver any and all documents and take all actions as he may consider necessary or expedient in connection with the Delisting.
4. THAT, subject to and conditional on the passing of Resolutions 1, 2 and 3 and to the occurrence of the Delisting, the amended and restated memorandum and articles of association of the Company (attached as Schedule 1 to this notice of Meeting) be approved and adopted by the Company in substitution for and to the exclusion of the existing memorandum and articles of association of the Company and concurrently the maximum number of shares that the Company is authorised to issue be changed from 1,395,167,015 shares of US\$0.01 par value each to 12,728,056,182 shares of US\$0.01 par value each.
5. THAT, subject to and conditional on the passing of Resolutions 1 and 2, the application of Regulation 19 (Takeover Provisions) shall be disapplied and not require the recipients of the shares to be issued pursuant to the terms of the aforementioned resolutions to make an offer to the other holders of shares.



By order of the Board

**Ben Harber**  
Company Secretary

16 July 2024

## Notes for Shareholders

1. **You will not receive a form of proxy or form of direction for the Meeting in the post. Instead, shareholders will be able to submit their proxy electronically through the website of the registrar, Link Group, at <https://investorcentre.linkgroup.co.uk/Login/Login>, and depositary interest holders will be able to vote in CREST. Institutional shareholders may also be able to appoint a proxy electronically via the Proxymity platform. Shareholders may request a hard copy proxy form directly from the registrars, Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL (email: [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk) or telephone number: 0371 664 0300 if calling from the United Kingdom, or +44(0)371 664 0300 if calling from outside the United Kingdom. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9am and 5pm, Monday to Friday excluding public holidays in England and Wales).**
2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only those members registered in the register of members of the Company by close of business on 6 August 2024 (or if the Meeting is adjourned, in the register of members of the Company 48 hours before the date and time of the adjourned meeting) shall be entitled to attend or vote at the Meeting in respect of the number of shares registered in their respective names at that time. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the Meeting.
3. Registered members of the Company may vote at the Meeting in person or by proxy or corporate representative. A member may appoint one or more persons as his proxy to attend and vote at the Meeting on his behalf. A proxy need not be a member. Where more than one proxy is appointed the instrument of proxy must specify the number of shares each proxy is entitled to vote.
4. The appointment of a proxy will not affect the right of a member to attend and vote in person at the Meeting or adjourned meeting. A member that is a corporation may appoint a representative to attend and vote on its behalf at the Meeting by delivering evidence of such appointment to the Company's registrar no later than 48 hours before the time fixed for the Meeting (i.e., by 11am on 6 August 2024) or any adjourned meeting. Unless otherwise indicated on the Form of Proxy or electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.
5. In order to be valid, the proxy appointment (together with any power of attorney or other authority (if any) under which it is signed, or a notorially certified copy of that authority) must be returned by one of the following methods, in each case so as to arrive no later than 11am on 6 August 2024 or, in the case of an adjourned meeting, not less than 48 hours before the time appointed for holding such adjourned meeting (ignoring for these purposes non-working days) or (in the case of a poll taken otherwise than at or on the same day as the Meeting or adjourned meeting) for the taking of the poll at which it is to be used:
  - a. in hard copy form by post, by courier or by hand to the Company's registrars, Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL;
  - b. via the Link Investor Centre app or by accessing the web browser at <https://investorcentre.linkgroup.co.uk/Login/Login>. If you have not previously registered for electronic communications, you will first be asked to register as a new user, for which you will require your investor code (IVC), (which can be found on your share certificate), family name and postcode (if resident in the UK). Link Investor Centre is a free app for smartphone and tablet provided by Link Group (the company's registrar). It allows you to securely manage and monitor your shareholdings in real time, take part in online voting, keep your details up to date, access a range of information including payment history and much more. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below.

Apple App Store	Google Play
	

6. For security reasons, registered members of the Company or their validly appointed proxies or corporate representatives who wish to attend the Meeting are requested to inform the Company in advance by email at [company.secretary@chaarat.com](mailto:company.secretary@chaarat.com) and to bring photographic identification with them to the Meeting.

### Notes for Depositary Interest Holders

1. You will not receive a form of direction for the Meeting in the post. Depositary Interests may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & International Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID: RA10) by 11am on 5 August 2024. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

Proxymity Voting - if you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io). Your proxy must be lodged by 11am on 5 August 2024 in order to be considered valid or, if the meeting is adjourned, by the time which is 72 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

2. Depositary Interest Holders ("DI Holders") may request and complete a form of direction in order to instruct Link Market Services Trustees Limited, the Depositary, to vote on the DI Holder's behalf at the Meeting by proxy or, if the Meeting is adjourned, at the adjourned meeting. Requests for a hard copy should be sent to Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL (email: [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk) or telephone number: 0371 664 0300).
3. To be effective, a valid form of direction (and any power of attorney or other authority under which it is signed) must be received electronically or delivered to Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL no later than 11am on 5 August 2024 or 72 hours before any adjourned Meeting.  
  
DI Holders must be registered as the holders of their respective Depositary Interests as at close of business on 5 August 2024 for their forms of direction to be valid.
4. The Depositary will appoint the chair of the Meeting as its proxy to cast DI Holders' votes. The chair of the Meeting may also vote or abstain from voting as he or she thinks fit on any other business (including amendments to resolutions) which may properly come before the Meeting. Unless otherwise indicated on the Form of Direction, CREST, Proxymity or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.
5. The 'Vote Withheld' option is provided to enable you to abstain from voting on the resolutions. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
6. DI Holders wishing to attend the Meeting should contact the Depositary at Link Market Services Trustees Limited, Central Square, 29 Wellington Street, Leeds LS1 4DL or by email by using [nominee.enquiries@linkgroup.co.uk](mailto:nominee.enquiries@linkgroup.co.uk) by no later than 11am on 5 August 2024.

## **Schedule 1**



TERRITORY OF THE BRITISH VIRGIN ISLANDS

BVI BUSINESS COMPANIES ACT, 2004

**AMENDED AND RESTATED  
MEMORANDUM AND ARTICLES OF ASSOCIATION OF  
CHAARAT GOLD HOLDINGS LIMITED**

**INCORPORATED 20 July 2007**  
Amended and restated on [•] 2024



**TMF (B.V.I.) Ltd.**  
**Palm Grove House, P.O. Box 438**  
**Road Town, Tortola, VG 1110**  
**British Virgin Islands**

**TERRITORY OF THE BRITISH VIRGIN ISLANDS**  
**THE BVI BUSINESS COMPANIES ACT 2004**

**AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION**

OF

**Chaarat Gold Holdings Limited**

**A COMPANY LIMITED BY SHARES**

**1. NAME**

- 1.1. The name of the Company is Chaarat Gold Holdings Limited.

**2. STATUS**

- 2.1. The Company is a company limited by shares.

**3. REGISTERED OFFICE AND REGISTERED AGENT**

- 3.1. The first registered office of the Company is at Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands, the office of the first registered agent.
- 3.2. The first registered agent of the Company is Equity Trust (BVI) Limited, Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands.
- 3.3. The Company may change its registered office or registered agent by a Resolution of Directors or a Resolution of Members. The change shall take effect upon the Registrar registering a notice of change filed under section 92 of the Act.

**4. CAPACITY AND POWER**

- 4.1. The Company has, subject to the Act and any other British Virgin Islands legislation for the time being in force, irrespective of corporate benefit:
- (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and
- (b) for the purposes of paragraph (a), full rights, powers and privileges.
- 4.2. There are subject to clause 4.1 no limitations on the business that the Company may carry on.

**5. NUMBER AND CLASSES OF SHARES**

- 5.1. The Company is authorised to issue 12,728,056,182 Shares of US\$0.01 par value of a single class.
- 5.2. The Company may issue fractional Shares and a fractional Share shall have the corresponding fractional rights, obligations and liabilities of a whole Share of the same class or series of shares.
- 5.3. The Company may from time to time by Resolution of Members, whether all the Shares for the time being authorised shall have been issued or all the Shares for the time being issued shall have been paid up in full, increase the number of Shares that the Company is authorised to issue by the creation of new Shares, such new Shares to be of such amount and to be divided into Shares of such respective amounts as the resolution directs.

- 5.4. Except as otherwise provided by or pursuant to the Articles or by the conditions of issue, any new Shares shall be subject to the same provisions with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise as the existing Shares of the Company.
- 5.5. The Company may from time to time by Resolution of Members:
- (a) consolidate and divide all or any of its Shares into Shares of larger amounts than its existing Shares;
  - (b) cancel any Shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its Shares by the amount of the Shares so cancelled;
  - (c) sub-divide its Shares, or any of them, into Shares of smaller amount than is fixed by the Memorandum of Association, 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 have any such preferred or other special rights over, or may have such deferred rights, or be subject to any such restrictions, as compared with the others, as the Company has power to attach to unissued or new Shares.
- 5.6. Subject to the provisions of the Act, the Company may from time to time by Special Resolution reduce the number of Shares that it is authorised to issue, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any incident authorised, and consent required, by law.

Anything done in pursuance of the last three preceding paragraphs shall be done in the manner provided and subject to any conditions imposed by the Act, so far as applicable, and, so far as it shall not be applicable, in accordance with the terms of the resolution authorising the same, and, so far as such resolution shall not be applicable, in such manner as the Board shall determine.

## 6. DESIGNATIONS, POWERS AND PREFERENCES OF SHARES

- 6.1. Each Share in the Company confers upon the Member:
- (a) where the Share is an Investor Majority Share such number of votes on any Resolution of Members (including at a meeting of the Members) as is equal to "X" where "X" is calculated by dividing "A" by "B" where:
    - (1) "A" equals the minimum number of votes required to pass such Resolution of Members; and
    - (2) "B" equals the number of Investor Majority Shares in issue.
  - (b) where the Share is not an Investor Majority Share such number of votes on any Resolution of Members (including at a meeting of the Members) as is equal to "Y" where "Y" is calculated by dividing "A" by "B" where:
    - (1) "A" equals the number of votes in respect of the Resolution of Members that are not carried by the Investor Majority Shares; and
    - (2) "B" equals the number of Shares in issue that are not Investor Majority Shares or Treasury Shares;
  - (c) where there are no Investor Majority Shares in issue, the right to one vote at a meeting of the Members of the Company or on any Resolution of Members;
  - (d) the right to an equal share in any dividend paid by the Company; and
  - (e) the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.
- 6.2. The Directors may at their discretion by Resolution of Directors, redeem, purchase or otherwise acquire all or any of the Shares in the Company, subject to Regulation 9 of the

Articles.

## 7. **VARIATION OF RIGHTS**

- 7.1. The rights attached to Shares as specified in Clause 6 (or any other rights which may otherwise attach to any Shares) may only, whether or not the Company is being wound up, be varied by a Special Resolution of the holders of Shares of the relevant class.

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

- 8.1. The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

## 9. **REGISTERED SHARES**

- 9.1. The Company shall issue registered shares only.
- 9.2. The Company is not authorised to issue bearer shares, convert registered shares to bearer shares or exchange registered shares for bearer shares.

## 10. **TRANSFER OF SHARES**

- 10.1. Subject to the Market Rules, the Directors may refuse to register the transfer of a certificated share which is not fully paid, provided that this power will not be exercised so as to disturb the market in the shares.
- 10.2. Subject to the Market Rules, the Directors may also refuse to register the transfer of a certificated share or a renunciation of a renounceable letter of allotment (except where to do so would disturb the market in the shares) unless all of the following conditions are satisfied:
- (a) it is in respect of only one class of share;
  - (b) it is in favour of a single transferee or renounee or not more than four joint transferees or renounees;
  - (c) it is duly stamped (if required); and
  - (d) it is delivered for registration to the registrar's office or such other place as the Directors have specified, accompanied by the certificate(s) for the shares to which it relates if any and such other evidence as the Directors may reasonably require to prove the title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.
- 10.3. If the Directors refuse to register the transfer of a certificated share, the Directors shall, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the purported transferee, together with the reasons for the refusal, and the Directors shall provide the purported transferee with such further information about the reasons for the refusal as the purported transferee may reasonably request.
- 10.4. No fee will be charged by the Company in respect of the registration of any transfer of a share or the renunciation of a renounceable letter of allotment or instruction or other document relating to or affecting the title to a share or otherwise for making any other entry in the Register.
- 10.5. All Instruments of Transfer which are registered shall be retained by the Company but any Instrument of Transfer which the Directors refuse to register shall (except where fraud or any other crime involving dishonesty is suspected in relation to such transfer) be returned to the person lodging it when notice of the refusal is given.
- 10.6. The registration of transfers of Shares may be suspended at such times and for such periods as the Board may from time to time determine provided that the Register shall not be closed for more than thirty days in any year.



## 11. AMENDMENT OF MEMORANDUM AND ARTICLES

- 11.1. The Company may only amend its Memorandum or Articles by a Special Resolution. No amendment thereto may be made by the Board.

## 12. DEFINITIONS AND INTERPRETATION

- 12.1. In this Memorandum of Association and the attached Articles of Association, if not inconsistent with the subject or context:
- (a) "**Act**" means the BVI Business Companies Act, 2004 and includes the regulations made under the Act;
  - (b) "**Additional Notes**" means the Additional Notes constituted by the Loan Note Instrument and defined as the Additional Notes therein;
  - (c) "**Additional Noteholder**" means a holder of an Additional Note;
  - (d) "**Admission**" means admission of the Shares to trading on the AIM market of the Stock Exchange becoming effective;
  - (e) "**Annual General Meeting**" means the annual general meeting of the Members of the Company called pursuant to Regulation 11.1;
  - (f) "**Articles**" means the attached Articles of Association of the Company;
  - (g) "**Asset Sale**" means the disposal by the Company of all or substantial parts of its undertaking and assets to a bona fide third party;
  - (h) "**Associate**" in relation to any person means:
    - a) any person who is an associate of that person (and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the UK Insolvency Act 1986); and (whether or not an associate as so determined); and
    - b) any member of the same Group;
  - (i) "**Boltons Place**" means Bolttons Place Capital Management Ltd;
  - (j) "**business days**" means a day (other than a Saturday or Sunday) on which banks in the British Virgin Islands, the United Kingdom and the United States of America are open for the transaction of normal non-automated banking business in the British Virgin Islands, the United Kingdom and the United States of America or, where a specific jurisdiction is specified, that jurisdiction;
  - (k) "**City Code**" means the United Kingdom City Code on Takeovers and Mergers;
  - (l) "**Civil Partner**" means in relation to a Shareholder, a civil partner (as defined in the English Civil Partnership Act 2004) of the Shareholder;
  - (m) "**clear days**" means, in relation to the period of a notice, that period excluding the day when the notice is received or deemed to be received and the day for which it is given or on which it is to take effect;
  - (n) "**Chairman of the Board**" means the Director from time to time appointed as Chairman of the Board;
  - (o) "**CLN Director**" has the meaning given to that term in Regulation 12.
  - (p) "**CLN Director Change Notice**" has the meaning given to that term in Regulation 12;
  - (q) "**Depository**" means the holder of a share for the time being held on behalf of another person on the terms of a depository agreement or a depository receipt or a similar

document including, without limitation, pursuant to the Depositary Deed;

- (r) **"Depositary Deed"** means the deed dated 25 October 2007 entered into by Capita IRG Trustees Limited in relation to the Shares and entitlements arising therefrom;
- (s) **"Depositary Interests"** means depositary interests, depositary receipts, or similar interests, instruments or securities including, without limitation, the depositary interests from time to time in issue pursuant to the Depositary Deed;
- (t) **"Directors"** or **"Board"** means the board of directors for the time being of the Company and **"Director"** shall mean any one of them;
- (u) **"Distribution"** has the meaning given in the Act;
- (v) **"Employee Share Scheme"** means any scheme for providing incentives to employees and/or Directors of the Company involving share options, allocations of Shares, share appreciation rights or other similar matters involving Shares or Securities;
- (w) **"Eligible Person"** means individuals, corporations, trusts, the estates of deceased individuals, partnerships and unincorporated associations of persons;
- (x) **"English Civil Partnership Act 2004"** means the Civil Partnership Act 2004 of England and Wales (including any modifications, extensions, re-enactments or renewals and any regulations made thereunder) and which is incorporated by specific reference into these Articles as if the Company were incorporated in England in so far as it is necessary to construe any provision of these Articles;
- (y) **"English Companies Acts"** means the English Companies Act 1985 and English Companies Act 2006 and which are incorporated by specific reference into these Articles as if the Company were incorporated in England in so far as it is necessary to construe any provision of these Articles or any obligation or responsibility of the Company for so long as it is admitted to any recognised investment exchange;
- (z) **"English Companies Act 1985"** means the Companies Act 1985 of England and Wales, including any modifications, extensions, re-enactments or renewals and any regulations made thereunder;
- (aa) **"English Companies Act 2006"** means the Companies Act 2006 of England and Wales, including any modifications, extensions, re-enactments or renewals and any regulations made thereunder;
- (bb) **"English CTA 2010"** means the Corporation Tax Act 2010 of England and Wales (including any modifications, extensions, re-enactments or renewals and any regulations made thereunder) and which is incorporated by specific reference into these Articles as if the Company were incorporated in England in so far as it is necessary to construe any provision of these Articles;
- (cc) **"Extraordinary General Meeting"** means all meetings of Members other than the Annual General Meeting;
- (dd) **"Family Trusts"** means as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than the individual and/or Privileged Relations of that individual; and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons;
- (ee) **"Group"** means, as regards any undertaking (as defined in section 1161(1) of the English Companies Act 2006) (other than a Qualifying Company) (a **"Principal Undertaking"**):
  - (1) such Principal Undertaking;
  - (2) each Parent Undertaking of such Principal Undertaking; and
  - (3) each Subsidiary Undertaking of (i) such Principal Undertaking or (ii) any

- Parent Undertaking of such Principal Undertaking,  
(and in each case, with respect to the holding of interests in Shares, any nominee or custodian of such interests in Shares) and the term **"member of the same Group"** shall be construed accordingly;
- (ff) **"Instrument of Transfer"** means a written instrument of transfer in respect of Shares in any usual form or in any other form which the Board may approve subject to the requirements of the Act;
- (gg) **"Investor Majority"** means: (a) Antigone Loudiadis and Simon Morris where they are both Members; or (b) Boltons Place where either (or both) of Antigone Loudiadis and Simon Morris are not Members and Boltons Place is a Member;
- (hh) **"Investor Majority Shares"** means the Shares held by the Investor Majority from time to time, and each such Share, an **"Investor Majority Share"**;
- (ii) **"Loan Note Instrument"** means the loan note instrument dated 11 September 2018 (as amended pursuant to an amendment and restatement deed dated 25 February 2020, a deed poll dated 21 October 2021, a deed poll dated 6 October 2022, a deed poll dated 9 August 2023, a deed poll dated 26 October 2023 and as amended and restated by a deed poll dated [●] 2024;
- (jj) **"Matched Bargain Facility"** means any matched bargain trading facility which may be operated for the trading of Shares for a fixed term following a cancellation of admission of the Shares to trading on AIM in accordance with Rule 41 of the AIM Rules for Companies published by the Stock Exchange, as amended from time to time;
- (kk) **"Member"** or **"Shareholder"** means an Eligible Person whose name is entered in the register of members of the Company as the holder of one or more Shares or fractional Shares;
- (ll) **"Memorandum"** means this Memorandum of Association of the Company;
- (a) **"Noteholder Member"** means: (a) the Noteholder Representative where the Noteholder Representative is a Member; or (b) Boltons Place where the Noteholder Representative is not a Member and Boltons Place is a Member;
- (b) **"Noteholder Representative"** means the meaning given to that term in the Loan Note Instrument (the initial representatives being Antigone Loudiadis and Simon Morris).
- (c) **"Permitted Transfer"** means a transfer of Shares in accordance with Regulation 34;
- (d) **"Permitted Transferee"** means:
- (1) in relation to any Shareholder, any transferee arranged pursuant to a Matched Bargain Facility;
  - (2) in relation to a Shareholder who is an individual, any of his Privileged Relations, Trustees or Qualifying Companies; and
  - (3) in relation to a Shareholder which is an undertaking (as defined in section 1161(1) of the English Companies Act 2006) means any member of the same Group;
- (e) **"Privileged Relation"** in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue);
- (f) **"Qualifying Company"** means a company in which a Shareholder or Trustee(s) holds all of the issued shares or the entire issued share capital and over which that Shareholder or Trustee(s) exercises control (within the meaning of section 1124 of the English CTA 2010);
- (g) **"recognised clearing house"** shall have the meaning ascribed to it by section 285 of the Financial Services and Markets Act 2000 of England and Wales;
- (h) **"recognised investment exchange"** shall have the meaning ascribed to it by section 285 of the Financial Services and Markets Act 2000 of England and Wales and shall also include the Alternative Investment Market of the Stock Exchange;

- (i) **"recognised person"** means a recognised clearing house or a recognised investment exchange or a nominee of a recognised clearing house or of a recognised investment exchange;
- (j) **"Regulations"** mean the Uncertificated Securities Regulations 2001 (SI 2001/3755) of England and Wales (including any modifications thereof or any regulations in substitution therefor);
- (k) **"relevant system"** means a relevant system as referred to in the Regulations to include Crest;
- (l) **"Resolution of Directors"** means either:
  - (1) a resolution approved at a duly convened and constituted meeting of Directors (which must have been approved by at least one CLN Director) or of a committee of Directors (which must have been approved by at least one CLN Director to the extent that a CLN Director serves on such committee) by the affirmative vote of a majority of the Directors present at the meeting who voted except that, where a Director is given more than one vote, he shall, in each case, be counted by the number of votes he casts for the purpose of establishing a majority; or
  - (2) a resolution consented to in writing by all Directors or by all members of a committee of Directors, as the case may be;
- (m) **"Resolution of Members"** means either:
  - (1) a resolution approved at a duly convened and constituted meeting of the Members by the affirmative vote of a majority of the votes of the Shares (which must include all Investor Majority Shares), or shares of the relevant class, entitled to vote thereon which were present at the meeting and were voted; or
  - (2) a resolution consented to in writing by Members holding a majority of the votes of Shares (which must include the Investor Majority Shares), or shares of the relevant class, entitled to vote thereon;
- (n) **"Seal"** means any seal which has been duly adopted as the common seal of the Company;
- (o) **"Securities"** means Shares and debt obligations of every kind of the Company, and including without limitation options, warrants and rights to acquire shares or debt obligations;
- (p) **"Share"** means a share issued or to be issued by the Company;
- (q) **"Special Resolution"** means either:
  - (1) a resolution approved at a duly convened and constituted meeting of the Members of the Company by the affirmative vote of Members holding at least 50.01% of the votes of the Shares (which must include all Investor Majority Shares), or shares of the relevant class, entitled to vote thereon which were present at the meeting and were voted; or
  - (2) a resolution consented to in writing by Members holding at least 50.01% of the votes of Shares, or shares of the relevant class, entitled to vote thereon (which, in each case, must include the Investor Majority).
- (r) **"Stock Exchange"** means London Stock Exchange plc or any successor body carrying on its functions;
- (s) **"Subsidiary", "Subsidiary Undertaking" and "Parent Undertaking"** have the respective meanings set out in sections 1159 and 1162 of the English Companies Act 2006;
- (t) **"Treasury Share"** means a Share that was previously issued but was repurchased, redeemed or otherwise acquired by the Company and not cancelled;
- (u) **"Trustees"** in relation to a Shareholder means the trustee or the trustees of a Family Trust;

- (v) **“uncertificated”** in relation to any Share means a Share to which Regulation 2.8 applies and references to a Share held in uncertificated form shall be construed accordingly; and
  - (w) **“written”** or any term of like import includes information generated, sent, received or stored by electronic, electrical, digital, magnetic, optical, electromagnetic, biometric or photonic means, including electronic data interchange, electronic mail, telegram, telex or telecopy, and “in writing” shall be construed accordingly.
- 1.2. In the Memorandum and the Articles, unless the context otherwise requires a reference to:
- (a) a “Regulation” is a reference to a regulation of the Articles;
  - (b) a “Clause” is a reference to a clause of the Memorandum;
  - (c) voting by Member is a reference to the casting of the votes attached to the Shares held by the Member voting;
  - (d) the Act, the Memorandum or the Articles is a reference to the Act or those documents as amended;
  - (e) the singular includes the plural and vice versa;
  - (f) a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.
- 1.3. Any words or expressions defined in the Act unless the context otherwise requires bear the same meaning in the Memorandum and Articles unless otherwise defined herein.
- 1.4. Headings are inserted for convenience only and shall be disregarded in interpreting the Memorandum and Articles.

We, Equity Trust (BVI) Limited of Palm Grove House, P.O. Box 438 Road Town, Tortola, British Virgin Islands, for the purpose of incorporating a BVI business company under the laws of the British Virgin Islands hereby sign this Memorandum of Association the 20th day of July 2007.

Incorporator

(Sgd.) Selina O'Neal

Authorised Signatory

Equity Trust (BVI) Limited

**TERRITORY OF THE BRITISH VIRGIN ISLANDS**  
**BVI BUSINESS COMPANIES ACT, 2004**

**AMENDED AND RESTATED ARTICLES OF ASSOCIATION**  
**OF**  
**CHAARAT GOLD HOLDINGS LIMITED**  
**(a company limited by shares)**

**TERRITORY OF THE BRITISH VIRGIN ISLANDS**  
**THE BVI BUSINESS COMPANIES ACT 2004**

**AMENDED AND RESTATED ARTICLES OF ASSOCIATION**

OF

**Chaarat Gold Holdings Limited**

**A COMPANY LIMITED BY SHARES**

**1. REGISTERED SHARES**

- 1.1. All forms of certificate for share or loan capital or other securities of the Company (other than letters of allotment, scrip certificates and other like documents) shall be issued under the Seal (which may be laser sealed as opposed to embossed), or via a laser signature or in such other manner as the Board may authorise. The Board may determine, either generally or in any particular case or cases, that any signatures on any such certificate need not be autographic but may be affixed to such certificate by some mechanical or electronic means or may be printed thereon or that such certificate need not be signed by any person.
- 1.2. Any Member receiving a certificate shall indemnify and hold the Company and its Directors and officers harmless from any loss or liability which it or they may incur by reason of any wrongful or fraudulent use or representation made by any person by virtue of the possession thereof. If a certificate for Shares is defaced, worn out, lost or destroyed it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of any exceptional out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of defacement or wearing out, on delivery up of the old certificate to the Company.
- 1.3. If several Eligible Persons are registered as joint holders of any Shares, the Company shall not be bound to issue more than one certificate to the joint holders and any one of such persons may give an effectual receipt for any Distribution.

**2. SHARES**

- 2.1. Subject to the provisions of these Articles, Shares and other Securities may be issued and options to acquire Shares or other Securities may be granted at such times, to such Eligible Persons, for such consideration and on such terms as the Directors may determine.
- 2.2. A Share may be issued for consideration in any form, including money, a promissory note, real property, personal property (including goodwill and know-how) or a contract for future services.
- 2.3. No Shares may be issued for a consideration other than money, unless a Resolution of Directors has been passed stating:
- (a) the amount to be credited for the issue of the Shares;
  - (b) that, in their opinion, the present cash value of the non-money consideration and money consideration, if any, for the issue of the Shares is not less than the amount to be credited for the issue of the Shares.



2.4. The Company shall keep a register containing:

- (a) the names and addresses of the persons who hold Shares;
- (b) the number of each class and series of Shares held by each Member;
- (c) the date on which the name of each Member was entered in the register of members;  
and
- (d) the date on which any Member ceased to be a Member.

Subject to the Act, the Company may keep an overseas, branch, local or other register in any place, and the Board may make, approve, amend and revoke any agreements or regulations it thinks fit about the keeping of that register.

Each register kept pursuant to this Regulation is referred to as a “**register of members**”.

- 2.5. Each register of members may be in any such form as the Directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until the Directors otherwise determine, the magnetic, electronic or other data storage form shall be the original of each register of members.
- 2.6. A Share is deemed to be issued when the name of the Member is entered in a register of members.
- 2.7. Nothing in these Articles shall require title to any Shares or other securities of the Company to be evidenced by a certificate if the Act and the rules of the Stock Exchange permit otherwise.
- 2.8. Subject to the Act and the rules of the Stock Exchange (for so long as the Shares are listed on AIM market of the Stock Exchange), the Board, without further consultation with the holders of any Shares or securities of the Company, may resolve that any class or series of Shares or other securities of the Company from time to time in issue or to be issued may be issued, held, registered, converted to, transferred or otherwise dealt with in uncertificated form in accordance with the Regulations and practices instituted by the operator of the relevant systems and no provision of these Articles will apply to any uncertificated Share or other securities of the Company to the extent that they are inconsistent with the holding of such Shares or other securities in uncertificated form or the transfer of title to any such Shares or other securities by means of a relevant system or any provision of Regulations.
- 2.9. Conversion of Shares held in certificated form into Shares held in uncertificated form, and vice versa, may be made in such manner as the Board may, in its absolute discretion, think fit (subject always to the Regulations and the requirements of the relevant system concerned). The Company shall enter on the relevant register of members how many Shares are held by each Shareholder in uncertificated form and in certificated form and shall maintain each register of members in each case as is required by the Regulations and the relevant system concerned. Notwithstanding any provision of these Articles, a class or series of Shares shall not be treated as two classes by virtue only of that class or series comprising both certificated Shares and uncertificated Shares or as a result of any provision of these Articles or the Regulations which apply only in respect of certificated or uncertificated Shares.
- 2.10. The Company shall have a first and paramount lien upon every Share whose consideration upon issue has not been fully paid up (provided always that to be validly issued consideration upon issue of any Share must be at least the par value of that Share), registered in the name of any Member (and any dividends in respect of such Shares), either alone or jointly with any other person, for his or his estate's debts liabilities and engagements, whether solely or jointly with any other person, to or with the Company in respect of that Share, whether the period for the payment, fulfilment or discharge thereof shall have actually arrived or not. For the purposes of enforcing such lien the Company may sell in such manner as the Board thinks 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.

- 2.11. The Directors shall, subject always to the Act and the Regulations, and the facilities and requirements of any relevant system concerned and these Articles, have power to implement and/or approve any arrangements they may, in their absolute discretion, think fit (to the extent implemented and/or approved with effect on or after the date of adoption of these Articles) in relation to the evidencing of title to and transfer of interests in Shares in the form of Depositary Interests, and to the extent such arrangements are so implemented, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with the holding or transfer thereof or the Share represented thereby. The Directors may from time to time take such actions and do such things as they may, in their absolute discretion, think fit (to the extent implemented and/or approved with effect on or after the date of adoption of these Articles) in relation to the operation of any such arrangements.
- 2.12. Except as ordered by a court of competent jurisdiction or as required by law, but without prejudice to the provisions of these Articles relating to the Depositary or Depositary Interests, no person shall be recognised by the Company as holding any Share upon trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or any interest in any fractional part of a Share or (except only as otherwise provided in these Articles) any other right in respect of any Share except an absolute right to the entirety thereof in the registered holder.
- 2.13. Where Shares are held by another body corporate of which the Company holds, directly or indirectly, Shares having more than 50 per cent of the votes in the election of directors of the other body corporate, all rights and obligations attaching to the Shares held by the other body corporate are suspended and shall not be exercised by the other body corporate.

### 3. **AUTHORITY TO ALLOT SHARES**

- 3.1. Notwithstanding the provisions of Section 45 of the Act, the Directors shall not exercise any power to allot Relevant Securities (as defined in Regulation 3.2 below) unless they are, in accordance with Regulations 3.1 to 3.7, authorised to do so by a Resolution of Members.
- 3.2. In these Articles “**Relevant Securities**” means:
  - (a) Shares in the Company (other than Shares allotted pursuant to any Employee Share Scheme); and
  - (b) any right to subscribe for, or to convert any security (including any debt securities) into, Shares in the Company (other than Shares allotted pursuant to any Employee Share Scheme),

and a reference to the allotment of Relevant Securities includes the grant of such a right but (subject to Regulation 3.6), not the allotment of Shares pursuant to such a right, PROVIDED THAT Relevant Securities shall not include:

- (i) Shares in the Company allotted, or any right to subscribe for or convert any security into Shares granted, in any such case as part of any offering of Shares which culminate in Admission;
- (ii) Shares in the Company allotted pursuant to any right granted or offer or agreement made before the Admission (whether or not such right offer or agreement was expressed to be conditional on the Admission); and
- (iii) such number of Shares or a right to subscribe for, or to convert securities (including any debt securities) into, Shares as or equal to 100 (one hundred) per cent of the issued Shares of the Company at the time of Admission in

respect of the period to 31 December 2008 or, in relation to each whole financial year thereafter, the beginning of such financial year.

- 3.3. Authority under Regulation 3.1 may be given for a particular exercise of the power or for its exercise generally, and may be unconditional or subject to conditions.
- 3.4. Any authority under Regulation 3.1 shall state the maximum amount of Relevant Securities that may be allotted under it and the date on which it will expire, which must be not more than five (5) years from the date on which the resolution is passed by virtue of which the authority is given, but such an authority may be previously revoked or varied by a Resolution of Members at a meeting of the Members.
- 3.5. Any authority under Regulation 3.1 may be renewed or further renewed by a Resolution of Members at a meeting of the Members for a further period not exceeding five (5) years, but the resolution must state (or restate) the maximum amount of Relevant Securities which may be allotted under the authority or, as the case may be, the amount remaining to be allotted under it, and must specify the date on which the renewed authority will expire.
- 3.6. In relation to any authority under Regulation 3.1 for the grant of such rights as are mentioned in Regulation 3.2(b), the reference in Regulations 3.4 and 3.5 to the maximum amount of Relevant Securities that may be allotted under the authority is to the maximum amount of Shares which may be allotted pursuant to the rights.
- 3.7. The Directors may allot Relevant Securities, notwithstanding that authority under Regulation 3.1 has expired, if they are allotted in pursuance of an offer or agreement made by the Company before the authority expired and the authority allowed it to make an offer or agreement which would or might require Relevant Securities to be allotted after the authority expired.
- 3.8. No breach of Regulations 3.1 to 3.7 shall affect the validity of any allotment of any Relevant Security.
- 3.9. The Directors may, in connection with the issue of any Shares, exercise all powers of paying commission and brokerage conferred or permitted by law and may satisfy any obligation in respect of such payments in cash or by the allotment of fully or partly paid Shares or partly in one way and partly in the other.

#### 4. **PRE-EMPTION RIGHTS**

- 4.1. Section 46 of the Act shall not apply to the Company and, subject to Regulations 5.1 to 5.4 and Regulation 33, the Company shall not allot any Equity Securities (as defined in Regulation 4.8) on any terms to a person unless:
  - (a) it has made an offer to each person who holds Relevant Shares or Relevant Employee Shares (in each case as defined in Regulation 4.8) to allot to him on the same or more favourable terms a proportion of those securities which is as nearly as practicable equal to the proportion in nominal value held by him (as the case may be) of the aggregate of Relevant Shares and Relevant Employee Shares; and
  - (b) the period during which any such offer may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer so made.
- 4.2. Regulation 4.1 does not apply to a particular allotment of Equity Securities if those Equity Securities are, or are to be, wholly or partly paid up otherwise than in cash, and Securities which the Company has offered to allot to a holder of Relevant Shares or Relevant Employee Shares may be allotted to him, or anyone in whose favour he has renounced his right to their allotment, without contravening Regulation 4.1.
- 4.3. For these purposes, “**paid up otherwise than in cash**” means paid up otherwise than by cash received by the Company or a cheque received by the Company (in good faith which the Directors have no reason to suspect will not be paid), or a release of a liability of the

Company for a liquidated sum or an undertaking to pay cash to the Company at a future date, and “cash” includes foreign currency.

- 4.4. Regulation 4.1 does not apply to the allotment of securities which would, apart from a renunciation or assignment of the right to their allotment, be held under or allotted or transferred pursuant to any Employee Share Scheme.
- 4.5. An offer to be made under Regulation 4.1 shall be in writing and shall be made by giving a notice containing the offer to a holder of Shares.
- 4.6. The offer must state a period of not less than 21 days, during which it may be accepted and the offer shall not be withdrawn before the end of that period.
- 4.7. The provisions of Regulations 4.1 to 4.6 are without prejudice to any exclusions or other arrangements which the Directors may deem necessary or desirable in relation to fractional entitlements or due to legal or practical problems arising in or under the laws of, or the requirements of any regulatory body or stock exchange in, any territory or any matter whatsoever.
- 4.8. For the purpose of Regulations 4.1 to 4.6 and Regulations 5.1 to 5.4:
  - (a) **“Equity Security”** means a Relevant Share (as defined in Regulation 4.8(d)) (other than a bonus share), or a right to subscribe for, or to convert securities (including any debt securities) into, Relevant Shares in the Company excluding:
    - (i) Shares in the Company allotted, or any right to subscribe for or convert any security into Shares in the Company granted as part of any offering of Shares in the Company which culminate in Admission;
    - (ii) Shares in the Company allotted pursuant to any right granted before the Admission (whether or not such right was expressed to be conditional on the Admission); and
    - (iii) Such number of Relevant Shares, or a right to subscribe for, or to convert securities (including any debt securities) into, Relevant Shares in the Company:
      - (A) in relation to each financial year, as are equal to 30 (thirty) percent of the aggregate number of issued Shares and rights granted to subscribe for, or to convert securities (including any debt securities) into, Relevant Shares at the beginning of that financial year; or
      - (B) such other number and such other period as a Special Resolution of Members may authorise at a meeting of the Members.
  - (b) a reference to the allotment of Equity Securities or of Equity Securities consisting of Relevant Shares of a particular class includes the grant of a right to subscribe for, or to convert any securities into, Relevant Shares in the Company or (as the case may be) Relevant Shares of a particular class; but such a reference does not include the allotment of any Relevant Shares pursuant to such a right;
  - (c) **“Relevant Employee Shares”** means Shares of the Company which would be Relevant Shares but for the fact that they are held by a person who acquired them in pursuance of any Employee Share Scheme;
  - (d) **“Relevant Shares”** means Shares in the Company other than:
    - (i) Shares which as respects dividends and capital carry a right to participate only up to a specified amount in a distribution; and

- (ii) Shares which are held by a person who acquired them in pursuance of any Employee Share Scheme or, in the case of Shares which have not been allotted, are to be allotted in pursuance of such a scheme.
  - (e) a reference to a class of Shares is to Shares to which the same rights are attached as to voting and as to participation, both as respects dividends and as respects capital, in a distribution.
- 4.9. In relation to an offer to allot securities required by Regulation 4.1(a), a reference in Regulations 4.1 to 4.6 and Regulation 4.8 (however expressed) to the holder of Shares of any description is to whoever was at the close of business on a date, to be specified in the offer and to fall in the period of 28 days immediately before the date of the offer, the holder of Shares of that description.

## 5. **DISAPPLICATION OF PRE-EMPTION RIGHTS**

- 5.1. Where the Directors are generally authorised for the purposes of Regulation 3, they may be given power by a Special Resolution to allot Equity Securities pursuant to that authority as if:
- (a) Regulations 4.1 to 4.6 and Regulation 4.8 did not apply to the allotment; or
  - (b) Regulations 4.1 to 4.6 and Regulation 4.8 applied to the allotment with such modifications as the Directors may determine,
- and where the Directors make an allotment under Regulation 5, Regulations 4.1 to 4.6 shall have effect accordingly.
- 5.2. The power conferred by Regulation 5.1 ceases to have effect when the authority to which it relates is revoked or would (if not renewed) expire, but if the authority is renewed, the power or (as the case may be) the resolution may also be renewed, for a period not longer than that for which the authority is renewed, by a Special Resolution.
- 5.3. Notwithstanding that any such power or resolution has expired, the Directors may allot Equity Securities in pursuance of an offer or agreement previously made by the Company, if the power or resolution enabled the Company to make an offer or agreement which would or might require Equity Securities to be allotted after it expired.
- 5.4. A Special Resolution under Regulation 5.1, or a Special Resolution under Regulation 5.2 to renew such a resolution, shall not be proposed unless it is recommended by the Directors and there has been circulated, with the notice of the meeting at which the resolution is proposed, to the Members entitled to have that notice a written statement by the Directors setting out:
- (a) their reasons for making the recommendation;
  - (b) the amount to be paid to the Company in respect of the Equity Securities to be allotted; and
  - (c) the Directors' justification of that amount.

## 6. **FORFEITURE**

- 6.1. Shares that are not fully paid on issue are subject to the forfeiture provisions set forth in this Regulation and for this purpose Shares issued for a promissory note or a contract for future services are deemed to be not fully paid.
- 6.2. A written notice of call specifying the date for payment to be made shall be served on the Member who defaults in making payment in respect of the Shares.
- 6.3. The written notice of call referred to in Regulation 6.1 shall name a further date not earlier than the expiration of 14 days from the date of service of the notice on or before which the

payment required by the notice is to be made and shall contain a statement that in the event of non-payment at or before the time named in the notice the Shares, or any of them, in respect of which payment is not made will be liable to be forfeited.

- 6.4. Where a written notice of call has been issued pursuant to Regulation 6.2 and the requirements of the notice have not been complied with, the Directors may, at any time before tender of payment, sell, forfeit and cancel the Shares to which the notice relates.
- 6.5. The Company is under no obligation to refund any moneys to the Member whose Shares have been cancelled pursuant to Regulation 6.3 and that Member shall be discharged from any further obligation to the Company.
- 6.6. No Member shall be entitled to receive any dividend or to be present or vote at any meeting or upon a poll or to exercise any right or privilege as a Member, until he shall have paid all calls for the time being due and payable on every Share held by him (whether alone or jointly).

## **7. TRANSFER OF SHARES**

- 7.1. Subject to the Memorandum, certificated Shares in the Company may be transferred by a written Instrument of Transfer signed by the transferor and containing the name and address of the transferee, which shall be sent to the Company for registration.
- 7.2. In the case of uncertificated Shares, and subject to the Act, a Member shall be entitled to transfer his Shares and other securities by means of a relevant system and the operator of the relevant system shall act as agent of the Members for the purposes of the transfer of Shares or other securities.
- 7.3. Any provision in these Articles in relation to the Shares shall not apply to any uncertificated Shares to the extent that they are inconsistent with the holding of any Shares in uncertificated form, the transfer of title to any Shares by means of a relevant system and any provision of the Regulations.
- 7.4. The transfer of a Share is effective when the name of the transferee is entered on a register of members.
- 7.5. A register of members may be closed at such times and for such periods as the Board may from time to time determine, not exceeding in whole thirty days in each year, upon notice being given by advertisement in a leading daily newspaper and in such other newspaper (if any) as may be required by the Act and the practice of the Stock Exchange (for so long as the Shares are listed on AIM market of the Stock Exchange).
- 7.6. If the Directors are satisfied that an Instrument of Transfer relating to Shares has been signed but that the instrument has been lost or destroyed, they may resolve:
  - (a) to accept such evidence of the transfer of Shares as they consider appropriate; and
  - (b) that the transferee's name should be entered in the relevant register of members notwithstanding the absence of the Instrument of Transfer.
- 7.7. Subject to the Memorandum, the personal representative of a deceased Member may transfer a Share even though the personal representative is not a Member at the time of the transfer.
- 7.8. Any person becoming entitled to a Share in consequence of the death or bankruptcy of a Member may, upon such evidence as to title being provided as may from time to time be required by the Board and subject as hereinafter provided either be registered himself as holder of the Share upon giving to the Company notice in writing of his desire to such effect 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.

- 7.9. The provisions of this Regulation are subject to the restrictions on the transfer of Shares imposed in Regulations 33 through 35 below.

## 8. DISTRIBUTIONS

- 8.1. The Directors may authorise a distribution at a time and of an amount they think fit if they are satisfied, on reasonable grounds, that, immediately after the distribution, the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.
- 8.2. Dividends may be paid in money, or, where authorised by Special Resolution, Shares or other property.
- 8.3. Notice in writing of any dividend that may have been declared shall be given to each Member in accordance with Regulation 27 and all dividends unclaimed for 3 years after notice shall have been given to a Member may be forfeited by Resolution of Directors for the benefit of the Company.
- 8.4. No dividend shall bear interest as against the Company and no dividend shall be paid on Treasury Shares.

## 9. REDEMPTION OF SHARES AND TREASURY SHARES

- 9.1. The Company may, subject to approval by Special Resolution, purchase, redeem or otherwise acquire and hold its own Shares save that the Company may not purchase, redeem or otherwise acquire its own Shares without the consent of the Member whose Shares are to be purchased, redeemed or otherwise acquired unless the Company is permitted by the Act or any other provision in the Memorandum or Articles to purchase, redeem or otherwise acquire the Shares without such consent.
- 9.2. The purchase redemption or other acquisition by the Company of its own Shares is deemed not to be a Distribution where such purchase, redemption or other acquisition would not be a Distribution for the purposes of the Act.
- 9.3. Sections 60, 61 and 62 of the Act shall not apply to the Company.
- 9.4. Shares that the Company purchases, redeems or otherwise acquires pursuant to this Regulation may be cancelled or held as Treasury Shares except to the extent that such Shares are in excess of 50 percent of the issued Shares in which case they shall be cancelled but they shall be available for reissue.
- 9.5. All rights and obligations attaching to a Treasury Share are suspended and shall not be exercised by the Company while it holds the Share as a Treasury Share.
- 9.6. Treasury Shares may be disposed of by the Company on such terms and conditions (not otherwise inconsistent with the Memorandum and Articles including the restrictions contained in Regulation 35) as the Company may determine.

## 10. MORTGAGES AND CHARGES OF SHARES

- 10.1. A Member may by an instrument in writing mortgage or charge his Shares.
- 10.2. There shall be entered in the relevant register of members at the written request of the Member:
- (a) a statement that the Shares held by him are mortgaged or charged;
  - (b) the name of the mortgagee or chargee; and



- (c) the date on which the particulars specified in subparagraphs (a) and (b) are entered in the relevant register of members.
- 10.3. Where particulars of a mortgage or charge are entered in a register of members, such particulars may be cancelled:
- (a) with the written consent of the named mortgagee or chargee or anyone authorised to act on his behalf; or
  - (b) upon evidence satisfactory to the Directors of the discharge of the liability secured by the mortgage or charge and the issue of such indemnities as the Directors shall consider necessary or desirable.
- 10.4. Whilst particulars of a mortgage or charge over Shares are entered in a register of members pursuant to this Regulation:
- (a) no transfer of any Share the subject of those particulars shall be effected;
  - (b) the Company may not purchase, redeem or otherwise acquire any such Share; and
  - (c) no replacement certificate shall be issued in respect of such Shares,
- without the written consent of the named mortgagee or chargee.

## 11. MEETINGS AND CONSENTS OF MEMBERS

- 11.1. An Annual General Meeting of the Company shall be held in each year in addition to any other meetings which may be held in that year, and such meeting shall be specified as the Annual General Meeting in the notices calling it. All general meetings other than Annual General Meetings shall be deemed to be Extraordinary General Meetings.
- 11.2. The Directors may convene meetings of the Members at such times and in such manner and places within or outside the British Virgin Islands as the Directors so consider necessary or desirable.
- 11.3. The Directors shall convene a meeting of members upon the written request of Members entitled to exercise 10 per cent or more of the voting rights in respect of the matter for which the meeting is requested.
- 11.4. In respect of a meeting of Members convened by the Directors, the Directors:
- (a) shall give to those Members whose names on the date the notice is given appear as Members in any register of Members of the Company and are entitled to vote at the meeting:
    - (i) in the case of a meeting of Members at which it is proposed to pass a Special Resolution, at least 21 clear days' notice; and
    - (ii) in the case of a meeting of Members at which it is proposed to pass a Resolution of Members, at least 14 clear days' notice;
  - (b) may fix as the record date for determining those Members that are entitled to vote at the meeting the date notice is given of the meeting, or such other date as may be specified in the notice, being a date not earlier than the date of the notice.
- 11.5. A meeting of Members held in contravention of the requirement to give notice is valid if Members holding at least 90 per cent of the total voting rights on all the matters to be considered at the meeting have waived notice of the meeting and, for this purpose, the presence of a Member at the meeting shall constitute waiver in relation to all the Shares which that Member holds.
- 11.6. The inadvertent failure of the Directors to give notice of a meeting to a Member, or the fact that a Member has not received notice, does not invalidate the meeting.



- 11.7. A Member may be represented at a meeting of Members by a proxy who may speak and vote on behalf of the Member.
- 11.8. The instrument of proxy shall be produced at the place designated for such production in the notice of meeting and before the latest time specified for such in the notice of meeting (which shall not being more than 48 hours prior to the time appointed for the meeting) and shall be produced in original form or, where permitted in the notice of the meeting, in facsimile or in electronic form. In the absence of a place or time for submission of proxies being specified in the notice of a meeting, instruments of proxy shall be produced at the place designated for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote.
- 11.9. The instrument appointing a proxy shall be in substantially the following form or such other form as the chairman of the meeting shall accept as properly evidencing the wishes of the Member appointing the proxy.

<p style="text-align: center;">Chaarat Gold Holdings Limited</p> <p>I/We being a Member of the above Company HEREBY APPOINT .....</p> <p>..... of ..... or failing him .....</p> <p>of ..... to be my/our proxy to vote for me/us at the meeting of Members to be held on the ..... day of ....., 20.... and at any adjournment thereof.</p> <p>(Any restrictions on voting to be inserted here.)</p> <p>Signed this ..... day of ....., 20....</p> <p>.....</p> <p>Member</p>
--

- 11.10. The following applies where Shares are jointly owned:
- (a) if two or more persons hold Shares jointly each of them may be present in person or by proxy at a meeting of Members and may speak as a Member;
  - (b) if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners; and
  - (c) if two or more of the joint owners are present in person or by proxy they must vote as one and in the event of disagreement between any of the joint owners of Shares then the vote of the joint owner whose name appears first (or earliest) in the relevant register of members in respect of the relevant Shares shall be recorded as the vote attributable to the Shares.
- 11.11. A Member shall be deemed to be present at a meeting of Members if he participates by telephone or other electronic means and all Members participating in the meeting are able to hear each other.
- 11.12. A meeting of Members is duly constituted if, at the commencement of the meeting, there are present in person or by proxy not less than two Members entitled to vote on the relevant resolutions of Members to be considered at the meeting.

At any separate meeting of any class of shares all the provisions of these Articles as to General Meetings shall mutatis mutandis apply but so that the necessary quorum (other than at an adjourned Meeting) shall be not less than two persons personally present and

holding or representing, either by proxy or as the duly appointed representative of a corporation which is a Member, at least 33.33% of the issued shares of the class and, at an adjourned Meeting, one Member holding shares of the class in question or his proxy, and so that any holder of shares of the class in question present in person or by proxy may demand a poll and shall be entitled on a poll to one vote for every such share held by him. If the Company has two or more classes of shares, a meeting may be quorate for some purposes and not for others. A quorum may comprise a single Member or proxy and then such person may pass a Resolution of Members and a certificate signed by such person accompanied where such person holds a proxy by a copy of the proxy instrument shall constitute a valid Resolution of Members.

- 11.13. If within two hours from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the fifth next business day in the jurisdiction in which the meeting was to have been held at the same time and place, and if at the adjourned meeting a quorum is not present within one hour from the time appointed for the meeting, the meeting shall be dissolved.
- 11.14. At every meeting of Members, the Chairman of the Board shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present at the meeting, the Members present shall choose one of their number to be the chairman. If the Members are unable to choose a chairman for any reason, then the person representing the greatest number of voting Shares present in person or by proxy at the meeting shall preside as chairman failing which the oldest individual Member or representative of a Member present shall take the chair.
- 11.15. The chairman may, with the consent of the meeting by Resolution of Members, adjourn any meeting from time to time, and from place to place.
- 11.16. At any meeting of the Members the chairman is responsible for deciding in such manner as he considers appropriate whether any resolution proposed has been carried or not and the result of his decision shall be announced to the meeting and recorded in the minutes of the meeting. If the chairman has any doubt as to the outcome of the vote on a proposed resolution (by reason of equality of votes or otherwise), he shall cause a poll to be taken of all votes cast upon such resolution. If the chairman fails to take a poll then any Member present in person or by proxy who disputes the announcement by the chairman of the result of any vote may immediately following such announcement demand that a poll be taken and the chairman shall cause a poll to be taken. If a poll is taken at any meeting, the result shall be announced to the meeting and recorded in the minutes of the meeting. In the case of an equality of votes on a poll, the chairman of the meeting shall not be entitled to a further or casting vote in addition to the votes to which he may be entitled as a Member.
- 11.17. Subject to the specific provisions contained in this Regulation for the appointment of representatives of Members other than individuals the right of any individual to speak for or represent a Member shall be determined by the law of the jurisdiction where, and by the documents by which, the Member is constituted or derives its existence. In case of doubt, the Directors may in good faith seek legal advice and unless and until a court of competent jurisdiction shall otherwise rule, the Directors may rely and act upon such advice without incurring any liability to any Member or the Company.
- 11.18. Any Member other than an individual may by resolution of its directors or other governing body authorise such individual as it thinks fit to act as its representative at any meeting of Members or of any class of Members, and the individual so authorised shall be entitled to exercise the same rights on behalf of the Member which he represents as that Member could exercise if it were an individual.
- 11.19. The chairman of any meeting at which a vote is cast by proxy or on behalf of any Member other than an individual may at the meeting but not thereafter call for a notarially certified copy of such proxy or authority which shall be produced within 7 days of being so requested or the votes cast by such proxy or on behalf of such Member shall be disregarded.

- 11.20. Directors of the Company may attend and speak at any meeting of Members and at any separate meeting of the holders of any class or series of Shares.
- 11.21. An action that may be taken by the Members at a meeting may also be taken by a Resolution of Members or Special Resolution (as appropriate) consented to in writing, without the need for any prior notice. If any Resolution of Members or Special Resolution is adopted in writing otherwise than by the unanimous written consent of all Members, a copy of such resolution shall forthwith be sent to all Members not consenting to such resolution. The consent may be in the form of counterparts, each counterpart being signed by one or more Members. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the earliest date upon which Eligible Persons holding a sufficient number of votes of Shares to constitute a Resolution of Members or Special Resolution (as appropriate) have consented to the resolution by signed counterparts.
- 11.22. Subject to any special terms as to voting upon which any Shares may be issued, or may for the time being be held, upon a show of hands every Member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative and in each case is entitled to vote shall have one vote and upon a poll every Member present in person or by proxy and entitled to vote shall have one vote for every Share, of the relevant class, held by him.

## 12. **DIRECTORS**

- 12.1. No person shall be appointed as a Director unless he has consented in writing to act as a Director.
- 12.2. The minimum number of Directors shall be two and there shall be no maximum number of Directors.
- 12.3. Each Director holds office for the term, if any, fixed by the CLN Director Change Notice, Resolution of Members or Resolution of Directors (as appropriate) appointing him, or until his earlier death, resignation, retirement or removal. If no term is fixed on the appointment of a Director, the Director serves indefinitely until his earlier death, resignation, retirement or removal.
- 12.4. A CLN Director may be removed from office with or without cause by a CLN Director Change Notice. A Director who is not a CLN Director may be removed from office with or without cause:
- (a) by a Resolution of Members; or
  - (b) by a Resolution of Directors (excluding the affected Director).
- 12.5. Without limiting the generality of Regulations 12.3 and 12.4 above, any Director may be removed from office with or without cause:
- (a) if he becomes prohibited by law from being a Director;
  - (b) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (c) if he is or may be suffering from mental disorder;
  - (d) if he shall for more than 6 months have been absent without permission of the Board from meetings of the Board; or
  - (e) if they are convicted of a criminal offence (other than a road traffic offence which is not punishable by a custodial sentence) and the other Directors resolve that their office be vacated.
- 12.6. A Director may resign his office by giving written notice of his resignation to the Company and the resignation has effect from the date the notice is received by the Company at the office of its registered agent or from such later date as may be specified in the notice. A Director shall resign forthwith as a Director if he is, or becomes, disqualified from acting as a

Director under the Act.

- 12.7. For so long as the Shares are admitted to the AIM market of the Stock Exchange, at every annual general meeting of the Company, one-third of the Directors (other than alternate Directors and any managing director/chief executive officer) for the time being, or, if their number is not a multiple of 3, then such number as is appropriate to ensure that no Director other than alternate Directors and any managing director/chief executive officer holds office for more than 3 years, shall retire from office. The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots. A retiring Director is eligible for re-election.
- 12.8. The Directors may at any time appoint any person to be a Director either to fill a vacancy or as an addition to the existing Directors. Where the Directors appoint a person as Director to fill a vacancy, the term shall not exceed the term (if any) that remained when the person who has ceased to be a Director ceased to hold office.
- 12.9. A vacancy in relation to Directors occurs if a Director dies or otherwise ceases to hold office prior to the expiration of his term of office.
- 12.10. The Company shall keep a register of Directors containing:
  - (a) the names and addresses of the persons who are Directors;
  - (b) the date on which each person whose name is entered in the register was appointed as a Director;
  - (c) the date on which each person named as a Director ceased to be a Director; and
  - (d) such other information as may be prescribed by the Act.
- 12.11. The register of Directors may be kept in any such form as the Directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until a Resolution of Directors determining otherwise is passed, the magnetic, electronic or other data storage shall be the original register of Directors.
- 12.12. The Directors may fix the emoluments of Directors with respect to services to be rendered in any capacity to the Company.
- 12.13. A Director is not required to hold a Share as a qualification to office.
- 12.14. There shall be paid out of the funds of the Company to the Directors (other than Directors appointed to an executive office or alternate Directors) such remuneration (by way of fee) for their services to the Company as the Directors may determine, such sum to be deemed to accrue from day to day and to be divided among such Directors in such proportion and manner as they may agree or, in default of agreement, equally provided that any such Director holding the office of Director for part of a year shall unless otherwise agreed be entitled only to a proportionate part of such remuneration, save that unless otherwise approved by a Resolution of Members the aggregate of the remuneration (by way of fee) of all the Directors shall not exceed GBP 150,000 (one hundred and fifty thousand pounds sterling) per annum. The Company may by Resolution of Members increase the amount of the fees payable under this Regulation either permanently or for a year or longer term.
- B 12.15. The Directors shall be entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors. If any of the Directors being willing shall be called upon to perform extra services or make any special exertions on behalf of the Company or the business of the Company, the Directors may remunerate such Director in accordance with such services or exertions, and such remuneration may be either in addition to or in substitution for his share in the remuneration provided for by Regulation 12.14.
- 12.16. The Noteholder Member shall be entitled from time to time to:

- (a) appoint such number of persons as Directors as represents a majority of all members of the Board (persons appointed as Directors by the Noteholder Member being referred to as "**CLN Directors**" and each a "**CLN Director**"); and
  - (b) remove any CLN Director.
- 12.17. The Noteholder Member may exercise the Noteholder Member's rights set forth in Regulation 12.16 by giving a notice in writing to the Company (a "**CLN Director Change Notice**") setting out the manner in which the Noteholder Member is exercising the rights conferred under Regulation 12.16. Unless provided otherwise in the CLN Director Change Notice, the appointment and/or removal of a CLN Director shall take effect from the date that the CLN Director Change Notice is received by the Company at the registered office of the Company or the date that the CLN Director Change Notice is presented to the Company at a meeting of the Board (if not earlier received by the Company at the registered office of the Company).
- 12.18. Each CLN Director shall be entitled at his request to be appointed to any committee of the Board established from time to time. Where a CLN Director wishes to be appointed to any committee of the Board established from time to time, such CLN Director may notify the other Directors in writing accordingly and the Board shall forthwith afterwards procure that such CLN Director is appointed to the committee of the Board concerned.
- 12.19. The Noteholder Member shall be entitled to appoint two persons to act as observers to the Board, to the board of directors of any subsidiary undertaking and any committee of the Board or board of directors of any subsidiary of the Company. The observer shall be entitled to attend and speak at all such meetings and receive copies of all board papers as if he were a director but shall not be entitled to vote on any resolutions proposed at a board meeting.
- 12.20. Where one or more CLN Directors are in office but the number of CLN Directors is less than a majority of the Directors then the following provisions shall apply:
  - (a) each Director who is not a CLN Director shall have one vote on any Resolution of Directors; and
  - (b) the CLN Directors or the CLN Director (where only one CLN Director has been appointed) shall have such number of votes (such number, the "**CLN Director Votes Number**") on any Resolution of Directors as is equal to the number that is half of the number of Directors appointed to the Board plus one and each CLN Director shall (subject to automatic increase in accordance with Regulation 12.21) have such number of votes on any Resolution of Directors that represents such CLN Director's pro rata number of the CLN Director Votes Number.
- 12.21. Where one or more CLN Directors are appointed but not all CLN Directors attend a meeting of the Board, then the number of votes that the CLN Director or CLN Directors in attendance at the meeting of the Board shall have on any Resolution of Directors shall automatically be increased to such number of votes as they would have if the number of votes that the absent CLN Director(s) could exercise were attributed to them pro rata.
- 12.22. The Noteholder Member shall additionally be entitled from time to time to:
  - (a) nominate for appointment to the board of directors of any subsidiary of the Company such number of persons as directors of such subsidiary as represents a majority of all members of the board of directors of such subsidiary and the Company shall procure that to the extent with its powers such nominations are given effect; and
  - (b) nominate for removal from the board of directors of any subsidiary of the Company any member of such board appointed pursuant to its nomination and the Company shall procure that to the extent with its powers such nomination is given effect.
- 12.23. Where a person who has been appointed as a director of a subsidiary of the Company following a nomination by the Noteholder Member and such a person wishes to be appointed to any committee of the board of directors of such subsidiary established from time to time, the Noteholder Member may notify the Company in writing to that effect and Company shall forthwith procure to the extent with its powers that such nomination is given effect.

- 12.24. To the extent within its powers, the Company shall cause each subsidiary of the Company to provide establish voting rights that substantially replicate the voting rights established for CLN Directors in these Articles.

### **13. POWERS OF DIRECTORS**

- 13.1. The business and affairs of the Company shall be managed by, or under the direction or supervision of, the Directors. The Directors have all the powers necessary for managing, and for directing and supervising, the business and affairs of the Company. The Directors may pay all expenses incurred preliminary to and in connection with the incorporation of the Company and may exercise all such powers of the Company as are not by the Act or by the Memorandum or the Articles required to be exercised by the Members.
- 13.2. Each Director shall exercise his powers for a proper purpose and shall not act or agree to the Company acting in a manner that contravenes the Memorandum, the Articles or the Act. Each Director, in exercising his powers or performing his duties, shall act honestly and in good faith in what the Director believes to be the best interests of the Company.
- 13.3. Any Director which is a body corporate may appoint any individual as its duly authorised representative for the purpose of representing it at meetings of the Directors, with respect to the signing of consents or otherwise.
- 13.4. The continuing Directors may act notwithstanding any vacancy in their body.
- 13.5. All approvals, authorisations, consents, decisions, determinations, exercises of discretion and resolutions of the Board or the Directors, however described, including pursuant to powers given to them by Resolution of Members or Special Resolution, shall be given or made by Resolution of Directors. The Directors may exercise all the powers of the Company to incur indebtedness, liabilities or obligations and to secure indebtedness, liabilities or obligations whether of the Company or of any third party.
- 13.6. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as shall from time to time be determined.
- 13.7. Section 175 of the Act shall not apply to the Company.
- 13.8. The Board shall from time to time appoint and may remove the Company's secretary.

### **14. PROCEEDINGS OF DIRECTORS**

- 14.1. Any one Director may call a meeting of the Directors by sending a written notice to each other Directors.
- 14.2. The Directors or any committee thereof may meet at such times and in such manner and places within or outside the British Virgin Islands (but always outside the United Kingdom) as the notice calling the meeting provides.
- 14.3. A Director is deemed to be present at a meeting of Directors if he participates by telephone or other electronic means and all Directors participating in the meeting are able to hear each other, provided always that the majority of Directors present at the meeting shall be persons present outside of the United Kingdom.
- 14.4. A Director shall be given not less than 3 days' notice of meetings of Directors, but a meeting of Directors held without 3 days' notice having been given to all Directors shall be valid if all the Directors entitled to vote at the meeting who do not attend waive notice of the meeting, and for this purpose the presence of a Director at a meeting shall constitute waiver by that Director. The inadvertent failure to give notice of a meeting to a Director, or the fact that a Director has not received the notice, does not invalidate the meeting.
- 14.5. Subject to Regulation 14.6, a meeting of Directors is duly constituted for all purposes if at the commencement of the meeting there are present in person or by alternate not less than 2 Directors and which must include at least 1 CLN Director (if so appointed) (unless, in



respect of any specified meeting, all CLN Directors appointed expressly confirm in writing that their attendance is not required for such meeting to be quorate) subject always to Regulation 20.3.

- 14.6. The majority of Directors present at the meeting shall be persons present outside of the United Kingdom.
- 14.7. A Director may by a written instrument appoint an alternate who need not be a Director and the alternate shall be entitled to attend meetings in the absence of the Director who appointed him and to vote or consent in place of the Director until the appointment lapses or is terminated by the appointor.
- 14.8. If the number of Directors is less than the minimum for the time being prescribed by these Articles of Association, the remaining Director or Directors shall only act for the purposes of appointing an additional Director or Directors to make up such minimum or of convening a general meeting of the Company for the purposes of making such appointment. If there is no Director or Directors able or willing to act, any two members may summon a general meeting of the Company for the purpose of appointing Directors.
- 14.9. At meetings of Directors at which the Chairman of the Board is present, he shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present, the Directors present shall choose one of their number to be chairman of the meeting. If the Directors are unable to choose a chairman for any reason, then the oldest individual Director present (and for this purpose an alternate Director shall be deemed to be the same age as the Director that he represents) shall take the chair.
- 14.10. An action that may be taken by the Directors or a committee of Directors at a meeting may also be taken by a Resolution of Directors or a resolution of a committee of Directors consented to in writing by all Directors or by all members of the committee, as the case may be, without the need for any notice, provided always that the majority of Directors so consenting shall be persons present outside of the United Kingdom at the time such consent is given by them respectively. The consent may be in the form of counterparts each counterpart being signed by one or more Directors. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the date upon which the last Director has consented to the resolution by signed counterparts.
- 14.11. Questions arising at any meeting of the Board or any committee of the Board shall be decided by a majority of votes (and must always include approval of at least one CLN Director, to the extent appointed and in determining the votes that any Director has, due regard shall be had to the provisions of Regulation 12), provided always that such majority includes a majority of persons present outside the United Kingdom (unless determined otherwise by the Board). In the case of an equality of votes the Chairman shall not have a second or casting vote.
- 14.12. All acts bona fide done by any meeting of the Board or of a committee of the Board or by any person acting as a Director, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid or that they or any of them were disqualified or had ceased to be Directors or a Director, be as valid as if every such person had been duly appointed and was qualified to be and had continued to be a Director.

## 15. **COMMITTEES**

- 15.1. The Directors may designate one or more committees, each consisting of one or more Directors, and delegate one or more of their powers, including the power to affix the Seal, to the committee. Any amendment to the constitution or the terms of reference of such a committee or proposal for the dissolution of such a committee or proposal to overrule a decision of such a committee (including any committee constituted prior to the adoption of these Articles) may only be effected by a Resolution of Directors.
- 15.2. The Directors have no power to delegate to a committee of Directors any of the following powers:

- (a) to amend the Memorandum or the Articles;
- (b) to designate committees of Directors;
- (c) to delegate powers to a committee of Directors;
- (d) to appoint Directors;
- (e) to appoint an agent;
- (f) to approve a plan of merger, consolidation or arrangement; or
- (g) to make a declaration of solvency or to approve a liquidation plan.

15.3. Regulations 15.2(b) and (c) do not prevent a committee of Directors, where authorised by the Directors appointing such committee or by a subsequent Resolution of Directors, from appointing a sub-committee and delegating powers exercisable by the committee to the subcommittee.

15.4. The meetings and proceedings of each committee of Directors consisting of 2 or more Directors shall be governed *mutatis mutandis* by the provisions of the Articles regulating the proceedings of Directors so far as the same are not superseded by any provisions in the Resolution of Directors establishing the committee.

## 16. OFFICERS AND AGENTS

16.1. The Company may appoint officers of the Company at such times as may be considered necessary or expedient. Such officers may consist of a Chairman of the Board, a Chief Executive Officer, one or more vice-presidents, secretaries and treasurers and such other officers as may from time to time be considered necessary or expedient. Any number of offices may be held by the same person.

16.2. The officers shall perform such duties as are prescribed at the time of their appointment subject to any modification in such duties as may be prescribed thereafter. In the absence of any specific prescription of duties it shall be the responsibility of the Chairman of the Board to preside at meetings of Directors and Members, the Chief Executive Officer to manage the day to day affairs of the Company, the vice-presidents to act in order of seniority in the absence of the Chief Executive Officer but otherwise to perform such duties as may be delegated to them by the Chief Executive Officer, the secretaries to maintain the register of members, minute books and records (other than financial records) of the Company and to ensure compliance with all procedural requirements imposed on the Company by applicable law, and the treasurer to be responsible for the financial affairs of the Company.

16.3. The emoluments of all officers shall be fixed by the Directors.

16.4. The officers of the Company shall hold office until their death, resignation, removal or, if applicable, retirement by rotation. Any officer elected or appointed by the Directors may be removed at any time, with or without cause by the Directors. Any vacancy occurring in any office of the Company may be filled by the Directors.

16.5. The Directors may appoint any person, including a person who is a Director, to be an agent of the Company. An agent of the Company shall have such powers and authority of the Directors, including the power and authority to affix the Seal, as are set forth in the Articles or in the Resolution of Directors appointing the agent, except that no agent has any power or authority with respect to the matters specified in Regulation 15.1. The Resolution of Directors appointing an agent may authorise the agent to appoint one or more substitutes or delegates to exercise some or all of the powers conferred on the agent by the Company. The Directors may remove an agent appointed by the Company and may revoke or vary a power conferred on him.

## 17. FAILURE TO DISCLOSE INTERESTS

### 17.1. Disclosure Notice

With the authority of the Directors, the Company may serve on any Member, or any other



person appearing to be interested in Shares held by that Member, or to have been so interested at any time during the three years immediately preceding the date on which the notice is issued, a notice requiring disclosure as contemplated by Section 793 of the English Companies Act 2006 in relation to all or any number of the Shares which that Shareholder holds or to which that other person is entitled or interested. Any information received by the Company under this Regulation 17 may be noted in any register of members and otherwise disclosed by the Company as it (acting with authority as aforesaid) shall see fit.

#### 17.2. Sanctions

If a Member, or any other person appearing to be interested in Shares held by that Member, has been issued with a notice requiring disclosure as contemplated by Section 793 of the English Companies Act 2006 and has failed in relation to any Shares (the “**default shares**”) to give the Company the information thereby required in the form of a disclosure statement within the prescribed period from the date of the notice requiring disclosure, the following sanctions shall apply, unless the Board otherwise determines:

- (a) the Member or any transferee who acquires Shares other than by an authorised transfer shall not be entitled in respect of the default shares and any other Share held by the Member or the transferee to receive notice of or be present or to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of Shares, or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll;
- (b) no further Shares may be issued in right of the default shares or in pursuance of an offer made to the holder of the default shares; and
- (c) where the default shares represent at least 0.25% of their class:
  - (i) any dividend or other money payable in respect of the Shares shall be withheld by the Company, which shall not have any obligation to pay interest on it, and the Shareholder shall not be entitled to accept, or elect to receive, Shares instead of that dividend; and
  - (ii) no transfer, other than an excepted transfer, of any Shares held by the Member shall be registered unless:
    - a. the Member is not himself in default as regards supplying the information required; and
    - b. the Member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the Shares the subject of the transfer.

#### 17.3. Timing of Restriction Notice

Sanctions imposed on Shares shall only be effective if the Company despatches a restriction notice to the relevant Member, or person appearing to be interested in Shares held by that Member, on the day after the end of the prescribed period or on the next following business day.

#### 17.4. Cessation of Sanctions

Where the sanctions under Regulation 17.2 apply in relation to any Shares, they shall cease to have effect (and any dividends withheld under clause 17.2(c) shall become payable) on the earlier of:

- (a) the Shares being transferred by means of an excepted transfer; and
- (b) at the end of the period of 7 days (or such shorter period as the Board may determine) following receipt by the Company of a disclosure statement required by the notice mentioned in that paragraph, despite being received after the end of the prescribed period, and the Board being fully satisfied that such information in such statement is full

and complete.

17.5. Further Directors Sanctions

The Directors may:

- (a) suspend all or any sanctions which have been imposed on Shares under this Regulation 17, either as regards all those Shares or some only of them, either permanently or for a particular period and either unconditionally or on terms.
- (b) pay, issue or transfer to a trustee for application in accordance with Regulation 17.7 below any distribution in respect of any Shares which are subject to a sanction concerning distributions.

17.6. Notice of Resolutions to be Issued

The Company shall give written notice to the relevant Member, or other person appearing to be interested in Shares held by that Member, of any resolution under the previous paragraph.

17.7. Payment of Distributions on Cessation of Sanctions

Distributions which are not paid or made as a result of sanctions having been imposed on Shares shall be paid or made, but without any interest or other compensation, on the date on which the Shares cease to be subject to the sanctions.

17.8. Shares allotted in right of Shares

Shares allotted in right of Shares which are subject to a sanction shall, on allotment, become subject to the same sanction; for this purpose Shares which the Company procures to be offered to shareholders pro rata (or pro rata ignoring fractional entitlements and Shares not offered to certain members because of legal or practical problems arising in or under the laws of, or the requirements of any regulatory body or stock exchange in, any territory whatsoever) shall be treated as Shares allotted in right of other Shares.

17.9. Copy notices

Where, on the basis of information obtained from a Shareholder in respect of any Share held by him, the Company issues a notice requiring disclosure as contemplated by Section 793 of the English Companies Act 2006 to any other person, it shall at the same time send a copy of the said notice to the Member, but the accidental omission to do so, or the non-receipt by the Member of the copy, shall not invalidate or otherwise affect the application of this Regulation 17.

17.10. Depositaries

Where default shares in which a person appears to be interested are held by a depositary (a "**Depositary**"), the provisions of this Regulation 17 shall be treated as applying only to those Shares held by the Depositary in which such person appears to be interested and not (insofar as such person's apparent interest is concerned) to any other Shares held by the Depositary.

17.11. Depositary disclosure obligations

Where the Member on which a notice requiring disclosure as contemplated by Section 793 of the English Companies Act 2006 is served is a Depositary acting in its capacity as such, the obligations of the Depositary as a Member of the Company shall be limited to disclosing to the Company such information relating to any person appearing to be interested in the Shares held by it as has been recorded by it pursuant to the arrangements entered into by the Company pursuant to which it was appointed as a Depositary.

## 17.12. No Company or Officer Liabilities

No officer of the Company shall incur any liability to any person as a result of sanctions having been imposed on Shares or of his having taken, or refrained from taking, other action under or in connection with this Regulation 17.

## 17.13. Persons Responsible for Disclosure Statements

The following are responsible for ensuring that a disclosure statement is accurate, complete and not misleading:

- (a) each declarant;
- (b) each person signing the statement on behalf of a declarant;

and, if two or more persons are so responsible, or are responsible in connection with several disclosure statements made pursuant to the same notice requiring disclosure, their responsibility is joint and several.

## 17.14. Interpretation and Definitions in Regulation 17

For the purposes of this Regulation 17:

- (a) a person, other than the Member holding a Share, shall be treated as appearing to be interested in that Share if the Member has informed the Company that the person is, or may be, so interested, or if the Company (after taking account of any information obtained from the Member or, pursuant to a notice requiring disclosure as contemplated by Section 793 of the English Companies Act 2006, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested;
- (b) “**interested**” shall be construed as it is for the purpose of Section 793 of the English Companies Act 2006;
- (c) reference to a person having failed to give the Company the information required by a notice requiring disclosure, or being in default as regards supplying such information in a disclosure statement, includes reference:
  - (i) to his having failed or refused to give all or any part of it; and
  - (ii) to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;
- (d) “**a disclosure statement**” means a notice which is addressed to the Company and its Directors, signed by or on behalf of one or more persons (“**the declarants**”) and:
  - (i) states whether or not the declarant or, in the case of several declarants, each of them has an interest in certain Shares and, if so, provides full details of the nature of his interest and the date and manner of its acquisition;
  - (ii) specifies, in relation to any declarant who is an individual, his name and address; and
  - (iii) specifies in relation to any declarant which is an undertaking:
    - a. its name and address;
    - b. whether or not another undertaking is a parent undertaking in relation to that declarant;

- c. if so, the name and address of the parent undertaking or, in the case of several parent undertakings, the names and addresses of each of them; and
- d. if there is a parent undertaking, whether or not any individual or undertaking (other than another such parent undertaking) owns or holds 15 per cent. or more of the Shares or the voting rights in that or each such parent undertaking and, if so, the name and address of that or each such individual or undertaking.

References above to the address of an individual are to that of his principal private residence; and references to the address of an undertaking shall be read as referring both to (a) in the case of a company registered in the United Kingdom, the address of its registered office, in the case of an undertaking registered under Part 23 of the English Companies Act 1985 or Part 34 of the English Companies Act 2006 (as appropriate), the address of those persons resident in the United Kingdom who are authorised to accept notices on the undertaking's behalf and in any other case the address (or all the addresses) which the undertaking is required by any law in force in any part of the United Kingdom or the country under whose law it is formed or constituted, to register, notify or maintain for the purpose of receiving notices or other communications; and (b) in the case of any undertaking, the address of the premises at which its senior management is located.

A disclosure statement shall be treated as signed on behalf of a person if and only if (a) it is signed by an individual who is expressed to be duly authorised to sign for and on behalf of that person; and (b) it specifies the position or gives details of the power of attorney or other document held by that individual from which he derives his authority.

(e) **"a notice requiring disclosure"** means a notice under Section 793 of the English Companies Act 2006 which:

- (i) is signed by a Director or the Secretary;
- (ii) is served on a Member, or any other person appearing to be interested in Shares held by that Member;
- (iii) requires him to ensure that the Company receives at an address specified in the notice a disclosure statement in relation to all the Shares held by such person, or such number of those Shares as is specified in the notice, within the prescribed period;
- (iv) states that, if the Company does not receive such a disclosure statement at the place and within the time specified in its notice, the Directors will be entitled to impose sanctions on the Shares in relation to which disclosure was required; and
- (v) describes, by reference to a copy or extract of this Regulation 17 which is attached to the notice or otherwise, the sanctions which the Directors will be entitled to impose.

(f) **"a restriction notice"** means a notice which:

- (i) is signed by a Director or the Company's secretary;
- (ii) is served on a person or persons on whom the Company has served a notice requiring disclosure and who have failed in relation to certain Shares to comply with that notice within the prescribed period;
- (iii) describes (by reference to a copy or extract of the relevant Resolution of Directors which is attached to the notice or otherwise) the sanctions which the resolution has resolved to impose on those Shares; and

- (iv) states the date on which the sanctions came or will come into force.
- (g) the “**prescribed period**” means:
  - (i) in a case where the default shares represent at least 0.25% of their class, 14 days; and
  - (ii) in any other case, 28 days; and
- (h) an “**excepted transfer**” means, in relation to any Shares held by a Member:
  - (i) a transfer by way of or pursuant to acceptance of a takeover offer for the Company;
  - (ii) a transfer in consequence of a sale made through, and required to be registered by the rules (including, for these purposes, the Regulations) of, a Recognised Investment Exchange or any other stock exchange outside the United Kingdom on which the Company’s Shares are normally traded; or
  - (iii) a transfer which is determined by the Board to be made in consequence of a bona fide sale of the whole of the beneficial interest in the Shares to a person who is unconnected with the Member and with any other person (including Directors) appearing to be interested in the Shares.

17.15. No limitation

Nothing contained in this Regulation 17 shall be taken to limit the powers of the Company under applicable laws.

18. **SIGNIFICANT DISCLOSURES**

Notwithstanding the provisions of these Articles but always subject to the requirements of the law of the British Virgin Islands, the provisions of Chapter 5 of the Financial Services Authority’s (United Kingdom) Disclosure Rules and Transparency Rules Source Book (“**DTR**”) or any successor or other regime (whether statutory or non-statutory) governing the disclosure of interests in shares in the United Kingdom, which relates to the requirements of shareholders to disclose their total proportion of voting rights (as defined in the DTR) shall be deemed to be incorporated into these Articles and shall bind the Company and its Members for so long as the ordinary share of the Company are admitted to trading on the AIM market of the Stock Exchange, and references to an “issuer” in such provisions shall be deemed to be references to the Company.

19. **[Intentionally omitted]**

## 20. **CONFLICT OF INTERESTS**

- 20.1. A Director (including an alternate) shall, forthwith after becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the Company, disclose the interest to all other Directors.
- 20.2. For the purposes of Regulation 20.1, a disclosure to all other Directors to the effect that a Director is a member, director or officer of another named entity or has a fiduciary relationship with respect to the entity or a named individual and is to be regarded as interested in any transaction which may, after the date of the entry or disclosure, be entered into with that entity or individual, is a sufficient disclosure of interest in relation to that transaction.
- 20.3. Where a Director (including an alternate) is interested in a transaction entered into or to be entered into by the Company, Section 125(4) of the Act (a "**relevant interest**") shall not apply and the Director must:
- (a) where required by the Act, give the other Directors notice of the nature and extent of the interest and the relation of the interest to the transaction at a meeting of Directors as soon as practicable after the Director becomes aware of the interest; and
  - (b) unless otherwise permitted under the Act, not be present while the matter is being considered at a meeting of Directors (and for the avoidance of doubt, shall not vote on the matter. Such Director and any other interested Director shall not be included in the quorum required for the purpose of authorisation of a relevant interest but shall otherwise be included for the purpose of forming the quorum at the meeting,
- but, subject to compliance with the Act, such Director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from such transaction and no such transaction shall be liable to be avoided on the grounds of any such interest or benefit.

## 21. **INDEMNIFICATION**

- 21.1. Subject to the limitations hereinafter provided the Company shall indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who:
- (a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a Director; or
  - (b) is or was, at the request of the Company, serving as a director of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise.
- 21.2. The indemnity in Regulation 21.1 only applies if the person acted honestly and in good faith with a view to the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that their conduct was unlawful and shall not apply to any liability incurred by a Director:
- (a) to the Company or any associated company of the Company;
  - (b) to pay a fine imposed in any criminal proceedings or a penalty imposed by a regulatory authority for non-compliance with any requirement of a regulatory nature (however arising);
  - (c) in defending any criminal proceedings in which he is convicted; or
  - (d) in defending any civil proceedings brought by the Company, or an associated company of the Company, in which judgment is given against him.

- 21.3. The decision of the Directors as to whether the person acted honestly and in good faith and with a view to the best interests of the Company and as to whether the person had no reasonable cause to believe that his conduct was unlawful is, in the absence of fraud, sufficient for the purposes of the Articles, unless a question of law is involved.
- 21.4. The termination of any proceedings by any judgment, order, settlement, conviction or the entering of a nolle prosequi does not, by itself, create a presumption that the person did not act honestly and in good faith and with a view to the best interests of the Company or that the person had reasonable cause to believe that his conduct was unlawful.
- 21.5. The Company may purchase and maintain insurance in relation to any person who is or was a Director, officer or liquidator of the Company, or who at the request of the Company is or was serving as a Director, officer or liquidator of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity, whether or not the Company has or would have had the power to indemnify the person against the liability as provided in the Articles.

## 22. **RECORDS**

- 22.1. The Company shall keep the following documents at the office of its registered agent:
  - (a) the Memorandum and the Articles;
  - (b) a register of members, or a copy of the register of members;
  - (c) the register of Directors, or a copy of the register of Directors; and
  - (d) copies of all notices and other documents filed by the Company with the Registrar of Corporate Affairs in the previous 10 years.
- 22.2. If the Company maintains only a copy of the register of members or a copy of the register of Directors at the office of its registered agent, it shall:
  - (a) within 15 days of any change in either register, notify the registered agent in writing of the change; and
  - (b) provide the registered agent with a written record of the physical address of the place or places at which the original register of members or the original register of Directors is kept.
- 22.3. The Company shall keep the following records at the office of its registered agent or at such other place or places, within or outside the British Virgin Islands, as the Directors may determine:
  - (a) minutes of meetings and Resolutions of Members, Special Resolutions and resolutions of classes of Members;
  - (b) minutes of meetings, Resolutions of Directors and resolutions of committees of Directors; and
  - (c) an impression of the Seal, if any.
- 22.4. Where any original records referred to in this Regulation are maintained other than at the office of the registered agent of the Company, and the place at which the original records is changed, the Company shall provide the registered agent with the physical address of the new location of the records of the Company within 14 days of the change of location.
- 22.5. The records kept by the Company under this Regulation shall be in written form or either wholly or partly as electronic records complying with the requirements of the Electronic Transactions Act.

## 23. **REGISTERS OF CHARGES**

- 23.1. The Company shall maintain at the office of its registered agent a register of charges in which there shall be entered the following particulars regarding each mortgage, charge and other encumbrance created by the Company:
- (a) the date of creation of the charge;
  - (b) a short description of the liability secured by the charge;
  - (c) a short description of the property charged;
  - (d) the name and address of the trustee for the security or, if there is no such trustee, the name and address of the chargee;
  - (e) unless the charge is a security to bearer, the name and address of the holder of the charge; and
  - (f) details of any prohibition or restriction contained in the instrument creating the charge on the power of the Company to create any future charge ranking in priority to or equally with the charge.

## 24. **CONTINUATION**

- 24.1. The Company may by Special Resolution continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands in the manner provided under those laws.

## 25. **SEAL**

- 25.1. The Company may have more than one Seal and references herein to the Seal shall be references to every Seal which shall have been duly adopted. The Directors shall provide for the safe custody of the Seal and for an imprint thereof to be kept at the registered office. Except as otherwise expressly provided herein the Seal when affixed to any written instrument shall be witnessed and attested to by the signature of any one Director or other person so authorised from time to time. Such authorisation may be before or after the Seal is affixed, may be general or specific and may refer to any number of sealings. The Directors may provide for a facsimile of the Seal and of the signature of any Director or authorised person which may be reproduced by printing or other means on any instrument and it shall have the same force and validity as if the Seal had been affixed to such instrument and the same had been attested to as hereinbefore described.

## 26. **ACCOUNTS AND AUDIT**

- 26.1. The Board shall cause to be kept accounting records sufficient to give a true and fair view of the state of the Company's affairs.
- 26.2. The accounting records shall be kept at the registered office or, subject to the Act, at such other place or places as the Board may think fit and shall always be open to inspection by the officers of the Company. No Member (other than an officer of the Company) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board.
- 26.3. To the extent required by law, auditors shall be appointed by the Board and their duties regulated in accordance with the Act and other applicable laws and regulations.

## 27. **NOTICES AND SIGNATURES**

- 27.1. Any notice, information or written statement to be given by the Company to Members may be given by personal service or by mail addressed to each Member at the address shown in the



relevant register of members or by transmitting it by electronic means (including facsimile and electronic mail, but not telephone) in accordance with such directions as may be given by such Member to the Company for such purpose, in which case the notice shall be deemed to have been served at the time that it would in the ordinary course be transmitted.

- 27.2. For the purposes of these Articles, a document shall be deemed to have been delivered to a person if it is published on a website and the person is sent a notice which includes details of (i) the publication of the document on the website, the address of the website, the place on the website where the document may be found and how the document may be accessed on the website; and (ii) how the person is to notify the Company that the person elects to receive the document in a physical form if the person wishes to receive the document in a physical form. If, in accordance with a notice sent to a person in accordance with this regulation, the person elects to receive a document in physical form, the Company shall send to that person such document within seven days of that person's election. The accidental omission of the Company to send a document to a person in accordance with this regulation, or the non-receipt by the person of a document that has been duly sent to that person, does not invalidate deemed delivery of that document to that person pursuant to this regulation. Nothing in this regulation or any notice sent pursuant to this regulation shall constitute a request or agreement by the Company that receipt of any document delivered to a person in accordance with this regulation be acknowledged and accordingly no such acknowledgement shall be required for a document to be deemed to have been delivered to a person pursuant to this regulation.
- 27.3. Any summons, notice, order, document, process, information or written statement to be served on the Company may be served by leaving it, or by sending it by registered mail addressed to the Company, at its registered office, or by leaving it with, or by sending it by registered mail to, the registered agent of the Company.
- 27.4. Service of any summons, notice, order, document, process, information or written statement to be served on the Company may be proved by showing that the summons, notice, order, document, process, information or written statement was delivered to the registered office or the registered agent of the Company or that it was mailed in such time as to admit to its being delivered to the registered office or the registered agent of the Company in the normal course of delivery within the period prescribed for service and was correctly addressed and the postage was prepaid.
- 27.5. For the purposes of these Articles, a facsimile transmission message or electronic transmission message purporting to come from a holder of shares or, as the case may be, a Director or alternate Director, or, in the case of a corporation which is a holder of shares, from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary being known to the person relying thereon at the relevant time, be deemed to be a document or instrument in writing signed by such holder or Director or alternate Director in the terms in which it is received.
- 27.6. Where a law or these Articles requires information to be delivered or sent to, or to be served on, a person, section 10(1) of the Electronic Transactions Act 2021 shall be varied such that: (i) the originator of any electronic communication shall not be required to state that the receipt of the electronic communication is to be acknowledged; and (ii) unless the originator expressly requires an acknowledgment of receipt, the addressee shall not be required to acknowledge receipt.
28. **VOLUNTARY WINDING UP**
- 28.1. The Company may by Special Resolution or by a Resolution of Directors appoint a voluntary liquidator.
- 28.2. If the Company is wound up, the liquidator may, with the authority of a Special Resolution, divide among the Members in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Members or different classes of Members.
- 28.3. The liquidator may, with the authority of a Special Resolution, vest the whole or any part of

any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Member is compelled to accept any Shares or other securities in respect of which there is any liability.

**29. SHARE WARRANTS**

- 29.1. The Company may, with respect to any fully paid Shares, issue a warrant (a "share warrant") stating that the holder of the warrant is entitled to the Shares specified in it and may provide (by coupons or otherwise) for the payment of future dividends on the Shares included in a share warrant.
- 29.2. The powers referred to in Regulation 26.1 may be exercised by the Board, which may determine and vary the conditions on which share warrants shall be issued, and in particular on which:
- (a) a new share warrant or coupon will be issued in the place of one damaged, defaced, worn out or lost (provided that no new share warrant shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed);
  - (b) the holder of a share warrant shall be entitled to receive notice of and to attend, vote and demand a poll at all meetings of Members;
  - (c) dividends will be paid; and
  - (d) a share warrant may be surrendered and the name of the holder entered in the register of warrants in respect of the Shares specified in it.

Subject to such conditions and to these Articles, the holder of a share warrant shall be deemed to be a Member for all purposes. The holder of a share warrant shall be subject to the conditions for the time being in force and applicable thereto, whether made before or after the issue of such share warrant.

**30. COMMISSIONS**

30.1. Subject to the provisions of the Act:

- (a) the Company may exercise the powers to make payments by way of commission or brokerage in connection with the issue of unissued Shares; and
- (b) payments by way of brokerage or commission may be satisfied as the Company may determine, by the payment of cash, by the allotment of Shares or partly by the payment of cash and partly by the allotment of Shares and shall be disclosed in accordance with the provisions of the Act and the rates of commission will not exceed 10 percent of the price at which the Shares in respect where of the same is paid are issued.

**31. RESERVES**

31.1. Subject to Regulation 8.1 the Board, may before recommending any dividend set aside out of the profits of the Company (including any premiums received upon the issue of debentures or other securities or rights of the Company) such sums as it thinks proper as a reserve fund or reserve funds which shall at the discretion of the Board be applicable for any purpose for which the profits of the Company may lawfully be applied, and pending such application the Board may employ the sums from time to time so set apart as aforesaid in the business of the Company or invest the same in such securities (other than the shares of the Company or its holding company) as it may select. Subject as aforesaid, the Board may also from time to time carry forward such sums as it may deem expedient in the interests of the Company not to divide.

**32. CAPITALISATION OF PROFITS AND RESERVES**

32.1. The Company may, upon the recommendation of the Board by Special Resolution resolve to capitalise any sum standing to the credit of any of the Company's reserve accounts (including any share premium account and any capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution, provided that such sum be not required for paying the dividends on any Shares carrying a fixed cumulative preferential dividend, and accordingly that the Board be authorised and directed to appropriate the sum resolved to be capitalised to the Members in the proportions in which such sum would have been divisible amongst them had the same been applied or been applicable in paying dividends and to apply such sum on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any Shares held by such Members respectively or in paying up in full unissued Shares or debentures of the Company of a nominal amount equal to such sum such Shares or debentures to be allotted and distributed credited as fully paid up to and amongst such Members in the proportions aforesaid or partly in one way and partly in the other, provided that a sum standing to the credit of a share premium account or a capital redemption reserve fund may only be applied hereunder in the paying up of unissued Shares to be allotted to Members as fully paid.

32.2. The Company in general meeting by Special Resolution may on the recommendation of the Board resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account which is not available for distribution by applying such sum in paying up in full unissued Shares to be allotted as fully paid Shares to those members of the Company for the time being who would have been entitled to that sum if it were distributed by way of dividend (and in the same proportions) and the Board shall give effect to such resolution.

32.3. Whenever such a resolution as aforesaid is passed, the Board shall make all appropriations and applications of the sum resolved to be capitalised thereby and all allotments and issues Shares or debentures, if any, and generally shall do all acts and things required to give effect thereto with full power to the Board to make such provision by the issue of certificates in respect of fractional entitlements or by payment in cash or otherwise as it thinks fit for the case of Shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the Members interested into any agreement with the

Company providing for the allotment to them respectively credited as fully paid up of any further Shares to which they may be entitled upon such capitalisation and any agreement made under such authority shall be effective and binding on all such Members.

### 33. **DRAG-ALONG**

- 33.1. If the holders of 50.01% or more of the Shares (which must include any Shares held by (i) the Investor Majority (directly or indirectly); and (ii) Jofam AB and/or Per Josefsson, (directly or indirectly)) (excluding Treasury Shares and any Shares held by a Shareholder who is, or is an Associate of, a Drag Purchaser, as defined below) the **"Selling Shareholders"**) agree to transfer all their interest in Shares (the **"Sellers' Shares"**) to a bona fide arm's length proposed purchaser (the **"Drag Purchaser"**) (or, if so directed by the Drag Purchaser, a nominee of such Drag Purchaser), the Selling Shareholders shall have the option (the **"Drag Along Option"**) to compel each other holder of Shares (each a **"Called Shareholder"**) to sell and transfer all their Shares to such Drag Purchaser (or, if so directed by the Drag Purchaser, a nominee of such Drag Purchaser) in accordance with the provisions of this Regulation 33 (such transfers of Shares by the Selling Shareholders and the Called Shareholders being the **"Dragged Share Sale"**).
- 33.2. The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a **"Drag Along Notice"**) to the Company at any time before the transfer of the Sellers' Shares to the Drag Purchaser (not less than 15 days before the Drag Completion Date (as defined below)) and the Company shall forthwith send a copy of the Drag Along Notice to the Called Shareholders. A Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Shares (the **"Called Shares"**) under this Regulation;
  - (b) the identity (including the name and address) of the person to whom they are to be transferred;
  - (c) the consideration (whether in cash or otherwise) for which the Called Shares are to be transferred (calculated in accordance with Regulation 33.4);
  - (d) if at time of giving the Drag Along Notice:
    - (i) the Selling Shareholders and the Drag Purchaser have agreed to a fixed Drag Completion Date, then the Drag Completion Date and the place and time fixed for completion of the sale of the Called Shares; or
    - (ii) the Drag Completion Date has not been fixed by agreement, then the proposed date of transfer together with a description as to how the Drag Completion Date (and the place and time fixed for completion of the sale of the Called Shares) shall be determined under the terms as agreed between the Selling Shareholders and the Drag Purchaser;
  - (e) the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such Dragged Share Sale (the **"Sale Agreement"**);
  - (f) in respect of any Called Securities Holder (as defined below) only, any exercise notice or other documents (including any tax elections) which the Called Securities Holder may be required to sign in connection with the exercise of any options or other rights to subscribe, convert into or otherwise acquire (including but not limited to warrants) Shares (**"Exercise Documents"**); and
  - (g) that information concerning the Called Shareholder which the Drag Purchaser reasonably requires in connection with the transfer of Called Shares (and may include information concerning (i) details of any account in the name of the Called Shareholder to which cash consideration may be paid (ii) the tax treatment of payments to be made to, or tax status of, the Called Shareholder (iii) the status of the

Called Shareholder for the purposes of ascertaining the applicability of relevant securities laws and (iv) verification of the identity, ownership and control of the Called Shareholder and other information as may be required for anti-money laundering or other compliance purposes) ("**Sale Information**"),

(and, in the case of paragraphs (b) to (d) above, whether actually specified or to be determined in accordance with a mechanism described in the Drag Along Notice).

- 33.3. Drag Along Notices shall be irrevocable but will lapse if the date for completion of the sale of the Sellers' Shares by the Selling Shareholders to the Drag Purchaser does not occur within 60 business days (or such longer time period as may be proposed by the Selling Shareholders and approved by the Board (with the consent of the Investor Majority) after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 33.4. The consideration (in cash or otherwise) for which each Selling Shareholder and each Called Shareholder shall transfer Shares pursuant to the Dragged Share Sale shall be the consideration per Share, determined in reference to the total consideration payable in respect of all Shares to be transferred to the Drag Purchaser pursuant to the Dragged Share Sale (the "**Drag Consideration**").
- 33.5. The Selling Shareholders shall disclose in writing to the Company and to each of the Called Shareholders all rights, benefits or other entitlements to which any of them, any person acting in concert with the Selling Shareholders or any person in any way affiliated with the Selling Shareholders, may be or become entitled in connection with or arising out of the direct or any indirect transfer of ownership of shares in the Company, all of which shall be deemed to form part of the consideration paid or proposed to be paid by the Drag Purchaser for the Sellers' Shares, in each case except that such rights, benefits and other entitlements shall not be deemed to form part of such consideration to the extent that they relate to any Selling Shareholder's position as employee or consultant (whether by way of salary or fees or incentive plans).
- 33.6. A Drag Along Notice may be served on any person(s) (each a "**Called Securities Holder**") holding Relevant Securities, if and to the extent exercisable (or which would become exercisable) in connection with the Dragged Share Sale and, if so served such Called Securities Holder shall, upon their acquisition of Shares, thereupon become a Called Shareholder subject mutatis mutandis to the provisions of this Regulation 33 (notwithstanding that they may not have been a Called Shareholder at the date of the Drag Along Notice).
- 33.7. The liabilities and obligations of a Called Shareholder under the terms of any Sale Agreement shall be limited to those matters as concern the Called Shareholder in their capacity as a holder of Called Shares, the transfer of Called Shares pursuant to the Dragged Share Sale and the payment of the consideration. Accordingly, the terms of the Sale Agreement may, inter alia, provide that:
  - (a) a Called Shareholder warrants and undertakes to transfer their Called Shares to the Drag Purchaser (or, if so directed by the Drag Purchaser, a nominee of such Drag Purchaser) on the Drag Completion Date with full title guarantee free from all encumbrances and that the Called Shareholder has power, capacity and authority to enter into the Sale Agreement and so transfer such Called Shares. A Called Shareholder shall not, however, be obliged to agree to (i) give any representation, warranty or undertaking concerning, or any indemnity in respect of any liability of, the business and affairs of the Company's Group, nor (ii) unless such Called Shareholder is or has been a Service Provider, any restrictive covenant including, without limitation, any covenant not to compete or covenant not to solicit customers, employees or suppliers of any Group Company;
  - (b) consideration paid (and/or payable) be subject to obligation(s) and arrangements (whether by means of escrow, holdback, reduction of consideration, contribution to the costs of any relevant insurance or contribution to transaction costs and expenses (including costs and expenses of any sellers' representative and/or Shareholders' Representative (as defined below)) ("**Contribution Obligations**") with respect to:
    - (i) liabilities of (and tax withholdings and deductions (including, if applicable, amounts to be withheld in respect of employee income tax and social security contributions) arising in respect of consideration payable to) the Called Shareholder ("**Several Liabilities**"); and

(ii) any:

- (A) price adjustment mechanisms (including any earn-out, locked box or completion accounts adjustment); and/or
- (B) liabilities (actual or potential, including any settlement) in respect of any representations, warranties, undertakings and/or indemnities given by any person(s),

in connection with the Dragged Share Sale (any or all of the foregoing being "**Common Liabilities**"), provided that the Sale Agreement provides for the following principles (howsoever expressed or effected):

- (x) the Contribution Obligations of a Called Shareholder with respect to Common Liabilities shall be satisfied only by way of reduction to the amount of any unpaid consideration (and not, for the avoidance of doubt, any repayment of consideration previously paid out). For the purpose of this provision, consideration held in escrow (or subject to any security interest of the Drag Purchaser or its nominee) shall not be treated as having been paid to the Called Shareholder even if the Called Shareholder is beneficially interested in such consideration; and
- (y) Contribution Obligations of a Called Shareholder in respect of Common Liabilities shall be no more onerous than the terms of the Contribution Obligations of other Selling Shareholders in respect of Common Liabilities; and
- (z) the liability of a Called Shareholder shall not exceed the amount of Drag Consideration received by such Called Shareholder in connection with the Dragged Share Sale, except with respect to claims related to fraud by such Called Shareholder, the liability for which need not be limited as to such Called Shareholder.

33.8. The Sale Agreement may include such provisions as may be necessary or desirable to accommodate the inclusion of Called Securities Holders (if any) in the Dragged Share Sale (and may include provisions with respect to (i) the exercise of options or other rights to subscribe, convert into or otherwise acquire (including but not limited to warrants) Shares (including the delivery of Exercise Documents), (ii) the satisfaction by the Called Securities Holder of their Several Liabilities in respect of the payment of any exercise price and any employee income tax and social security contributions arising in connection with their acquisition and/or sale of Shares and (iii) the making of tax elections by the Called Securities Holder).

33.9. No Drag Along Notice or Sale Agreement may require a Called Shareholder to agree to any terms except those specifically provided for in this Regulation. For the avoidance of doubt, any transfers of shares by the Called Shareholders to a Drag Purchaser pursuant to a sale in which a Drag Along Notice has been duly served shall not be subject to any pre-emption requirements.

33.10. Within five business days of the Company sending the Drag Along Notice to the Called Shareholders (or such later date as may be specified in the Drag Along Notice), each Called Shareholder shall deliver to the Company (which shall receive the same as agent on behalf of the Called Shareholder with authority to deliver the same to the Drag Purchaser on completion of the sale of Called Shares to the Drag Purchaser in accordance with the terms of the Sale Agreement (the "**Drag Completion Date**")):

- (a) duly executed Instrument of Transfer for its Shares in favour of the Drag Purchaser;
- (b) the relevant share certificate(s) (if any) (or a duly executed indemnity in favour of the Company and the Directors in respect of any lost, destroyed or missing certificate, in a form acceptable to the Board) in respect of its Shares;
- (c) a duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified by the Company;



- (d) in the case of a Called Securities Holder, duly executed Exercise Documents required to be provided by them; and
- (e) the Sale Information, in the form specified in the Drag Along Notice or as otherwise specified by the Company,

(together the "**Drag Documents**").

- 33.11. The Company (or its nominee) may receive, and give good receipt for, any consideration payable to any Called Shareholder in respect of the transfer of their Called Shares, which consideration shall be held by the Company (or its nominee) on trust for the benefit of such Called Shareholder. The Company shall be entitled to be paid from such consideration any amount otherwise due and payable by the Called Shareholder to any member of the Company's Group (including any payments due in connection with the exercise of any option to acquire Shares). The payment of the remaining balance of such consideration due to the relevant Called Shareholder may, in the sole discretion of the Board, be withheld pending the delivery of any Drag Document(s) and the ratification by the Called Shareholder of the transfer of their Called Shares and/or any act undertaken on behalf of (or deemed to be undertaken by) such Called Shareholder in accordance with this Regulation 33.11.
- 33.12. If a Called Shareholder fails to deliver the Drag Documents for their Shares to the Company by the Drag Completion Date, the Company (acting by any Director of the Company) shall be constituted the agent of such defaulting Called Shareholder with power and authority to take such actions and execute, enter into, and give effect to, any Drag Document(s), for and on behalf of and in the name of such defaulting Called Shareholder, in each case as the Board may determine to be necessary or desirable to effect (or otherwise in connection with) the transfer of the Called Shareholder's Shares pursuant to this Regulation 33 and the Board shall, if requested by the Drag Purchaser, so authorise any Director to effect the transfer of the Called Shareholder's Shares on the Called Shareholder's behalf to the Drag Purchaser (or, if so directed by the Drag Purchaser, a nominee of such Drag Purchaser) on the Drag Completion Date. The Board shall authorise registration of the transfer once appropriate stamp duty (if any is required) has been paid and the Instrument of Transfer and certificate (or indemnity in a form acceptable to the Board) in respect of the Shares so transferred is delivered to the Company.
- 33.13. Any transfer of Shares to a Drag Purchaser pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Regulation 4.
- 33.14. On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option or warrant to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares (save to the extent the relevant Shares were sold as part of the Dragged Share Sale on the Drag Completion Date by the New Shareholder, whether as a Called Securities Holder or otherwise) so acquired to the Drag Purchaser and the provisions of this Regulation shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place on the later of: (a) the Drag Along Notice being deemed served on the New Shareholder; and (b) completion of the Dragged Share Sale on the Drag Completion Date.
- 33.15. Whether or not a transfer of Called Shares is validly made in accordance with this Regulation 33 (including any determination as to whether a Sale Agreement satisfies the requirements of Regulations 33.7 and 33.8 (including any determination as to what constitutes a Contribution Obligation and/or the Common Liabilities and/or whether the principles set out in Regulation 33.7(b) are satisfied)) shall be determined by the Board and, save in the event of fraud, such determination shall be final and binding on all persons.

In the event that the Selling Shareholders, in connection with the Dragged Share Sale, appoint a third party independent shareholder representative (a "**Shareholder Representative**") with respect to the establishment and management of any escrow or holdback fund in connection with any indemnification or breach of warranty under the Sale Agreement (the "**Escrow**"), each Called Shareholder shall be deemed to consent to (i) the appointment of such Shareholder Representative, (ii) the establishment of the Escrow and

(iii) the payment of such Called Shareholder's applicable portion (from the Escrow) of any reasonable and properly incurred fees and expenses of such Shareholder Representative, in each case in connection with such Shareholder Representative's services and duties in connection with the establishment and management of such Escrow.

33.16. In the event that an Asset Sale is approved by the Board and the holders of 50.01% or more of the Shares (which must include any Shares held by (i) the Investor Majority (directly or indirectly); and (ii) Jofam AB and/or Per Josefsson, (directly or indirectly)), such consenting Shareholders shall have the right, by notice in writing to all other Shareholders, to require such Shareholders to take any and all such actions as it may be necessary for Shareholders to take in order to give effect to or otherwise implement such Asset Sale, subject always to the proceeds from such Asset Sale being distributed to Shareholders in accordance with their distribution rights.

33.17. On an Asset Sale the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) to the Shareholders in accordance with their distribution rights, provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the Shareholders shall take any action required by an Investor Majority (including, but without prejudice to the generality of this Article 33.17, actions that may be necessary to put the Company into voluntary liquidation) so that this Regulation applies.

#### 34. **PERMITTED TRANSFERS**

34.1. A Shareholder (who is not a Permitted Transferee) (the "**Original Shareholder**") may transfer all or any of his or its Shares to a Permitted Transferee.

34.2. Shares previously transferred as permitted by Regulation 34.1 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder.

34.3. Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees.

34.4. If a Permitted Transferee who was a member of the same Group as the Original Shareholder ceases to be a member of the same Group as the Original Shareholder, the Permitted Transferee must not later than five business days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a member of the same Group as the Original Shareholder (which in either case



is not in liquidation) failing which it will be deemed to have given a Sale Notice (for the purposes of Regulation 35) in respect of those Shares.

- 34.5. Trustees may (i) transfer Shares to a Qualifying Company or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees.
- 34.6. No transfer of Shares may be made to Trustees unless the Board is satisfied:
- (a) with the terms of the trust instrument and in particular with the powers of the trustees;
  - (b) with the identity of the proposed trustees;
  - (c) the proposed transfer will not result in 50 per cent or more of the aggregate of the Company's issued Shares being held by trustees of that and any other trusts; and
  - (d) that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.
- 34.7. If a Permitted Transferee who is a Qualifying Company of the Original Shareholder ceases to be a Qualifying Company of the Original Shareholder, it must within five business days of so ceasing, transfer the Shares held by it to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) (any may do so without restriction as to price or otherwise) failing which it will be deemed (unless it obtains the approval of the Board and consent from the Noteholder Majority) to have given a Sale Notice (for the purposes of Regulation 35) in respect of such Shares.
- 34.8. If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he must, within 15 business days of so ceasing either:
- (a) execute and deliver to the Company an Instrument of Transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
  - (b) give a Sale Notice (for the purposes of Regulation 35),
- failing which he shall be deemed to have given a Sale Notice (for the purposes of Regulation 35).
- 34.9. On the death (subject to Regulation 34.3), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five business days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company an Instrument of Transfer in respect of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed

by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the Instrument of Transfer is not executed and delivered within five business days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Sale Notice (for the purposes of Regulation 35).

- 34.10. A transfer of any Shares approved by the Board and with the consent of the Noteholder Representative may be made without restriction as to price or otherwise and with any such conditions as may be imposed and each such transfer shall be registered by the Directors.
- 34.11. Any Shares may at any time be transferred where there is a sale of all of the issued Shares a Holding Company, which has been approved by a majority of the Board, which must include the consent of the CLN Directors.
- 34.12. The Company shall only be permitted to sell or transfer any Shares held as Treasury Shares to any person with the consent of the Noteholder Representative.

### 35. **RIGHT OF FIRST REFUSAL - TRANSFERS**

#### 35.1. Except for:

- (a) a transfer of Shares in connection with Regulation 33 (drag-along) or otherwise the sale of all of the issued Shares in the Company to a bona fide third party (approved by the Investor Majority);
- (b) a Permitted Transfer; or
- (c) a transfer by a Shareholder or its Permitted Transferees which in aggregate with all transfers by such Shareholder and its Permitted Transferee in the previous 12 months represents not more than 0.1% of the issued Shares,

no transfer of any of the Shares may be made or validly registered unless the relevant holder of the Shares and any Permitted Transferee of that holder (each a "**Selling Holder**") shall have observed the following procedures of this Regulation unless the Investor Majority has determined that this Regulation shall not apply to such transfer.

- 35.2. The Selling Holder shall give (email being sufficient) to the Company not less than 15 business days' notice in advance of the proposed sale (a "**Sale Notice**") and the Company shall promptly forward onto each Additional Noteholder (email being sufficient). The Sale Notice shall specify:
- (a) the identity (including the name and address) of the proposed purchaser (the "**Buyer**");
  - (b) the price per Share which the Buyer is proposing to pay (the "**Sale Price**");
  - (c) the manner in which the consideration is to be paid;
  - (d) the number of Shares which the Selling Holder proposes to sell ("**Sale Notice Shares**"); and
  - (e) the address where the counter-notice should be sent.
- 35.3. Each Additional Noteholder shall be entitled within five business days after receipt of the Sale Notice, to notify the Company and the Selling Holder that they wish to buy a certain number of Sale Notice Shares from the Selling Holder at the Sale Price, by sending a counter-notice which shall specify the number of Sale

Notice Shares which such Additional Noteholder wishes to buy. The maximum number of Sale Notice Shares which an Additional Noteholder can buy under this procedure shall be:

$$\left( \frac{X}{Y} \right) \times Z$$

where:

X is the total amount of Additional Notes held by the Additional Noteholder;

Y is the total amount of Additional Notes in issue;

Z is the total number of Sale Notice Shares as set out in the Sale Notice.

Any Additional Noteholder who does not send a counter-notice within such five business day period shall be deemed to have specified that they do not wish to buy any Sale Notice Shares.

- 35.4. Following the expiry of five business days from the date the Additional Noteholders receive the Sale Notice, the Selling Holder shall be entitled to sell to the Buyer on the terms notified to the Additional Noteholders a number of Shares not exceeding the number of Sale Notice Shares specified in the Sale Notice less any Shares which Additional Noteholders have indicated they wish to buy, provided that at the same time the Selling Holder sells to the Additional Noteholders the number of Shares each Additional Noteholder has respectively indicated they wish to buy on terms no less favourable (to each such Additional Noteholder) than those obtained by the Selling Holder from the Buyer.
- 35.5. Unless agreed to be provided by the Selling Holder to the Buyer, a sale by the Selling Holder to an Additional Noteholder shall not oblige the Selling Holder to give any warranties or indemnities except that the Selling Holder shall provide the Additional Noteholder with a warranty as to capacity to sale the Sale Notice Shares and the full title guarantee of the Sale Notice Shares (and provide an indemnity for lost share certificate in the form acceptable to the Board if so necessary).
- 35.6. No sale by the Selling Holder shall be made pursuant to any Sale Notice more than three months after service of that Sale Notice.

We, Equity Trust (BVI) Limited of Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands, for the purpose of incorporating a BVI business company under the laws of the British Virgin Islands hereby sign these Articles of Association the 20th day of July 2007.

Incorporator

(Sgd.) Selina O'Neal

Authorised Signatory

Equity Trust (BVI) Limited

