

**MEMORANDUM OF ASSOCIATION**

**AND**

**BYE-LAWS**

(Adopted by Special Resolution at the Annual General Meeting  
held on 29<sup>th</sup> September, 1990)

**OF**

**CHEVALIER INTERNATIONAL HOLDINGS LIMITED**

(Updated as at 9 September 2005)

*In the event of any discrepancy or inconsistency, the English texts of the consolidated memorandum of association and bye-laws shall prevail over the Chinese texts thereof.*

BERMUDA  
THE COMPANIES ACT 1981  
MEMORANDUM OF ASSOCIATION OF  
COMPANY LIMITED BY SHARES  
(Section 7(1) and (2))  
MEMORANDUM OF ASSOCIATION  
OF  
CHEVALIER INTERNATIONAL HOLDINGS LIMITED

.....  
(hereinafter referred to as “the Company”)

1. The liability of the members of the Company is limited to the amount (if any) for the time being unpaid on the shares respectively held by them.
2. We, the undersigned, namely,

NAME	ADDRESS	BERMUDIAN STATUS (Yes / No)	NATIONALITY	NUMBER OF SHARES SUBSCRIBED
Peter Bubenzer	Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda	Yes	British	1
Ruby L Rawlins	Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda	Yes	British	1
Marcia De Couto	Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda	Yes	British	1
Vernelle Flood	Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda	Yes	British	1

do hereby respectively agree to take such number of shares of the Company as may be allotted to us respectively by the provisional directors of the Company, not exceeding the number of shares for which we have respectively subscribed, and to satisfy such calls as may be made by the directors, provisional directors or promoters of the Company in respect of the shares allotted to us respectively.

3. The Company is to be an exempted Company as defined by the Companies Act 1981.
4. The Company has power to hold land situated in Bermuda not exceeding in all, including the following parcels – Not Applicable

5. The Company does not propose to carry on business in Bermuda.
6. The authorised share capital of the Company is \$100,000.00 divided into shares of HK twenty five cents each. The minimum subscribed share capital of the Company is \$100,000.00 in Hong Kong currency.<sup>#</sup>
7. The objects for which the Company is formed and incorporated are:
  - (i) To carry on business as a holding company and to acquire and hold shares, stocks, debentures, debenture stocks, bonds, mortgages, obligations and securities of any kind issued or guaranteed by any company, corporation or undertaking of whatever nature and wherever constituted or carrying on business, and shares, stocks, debentures, debenture stocks, bonds, obligations, and other securities issued or guaranteed by any government, sovereign ruler, commissioners, trust, local authority or other public body, outside Bermuda or, if in Bermuda, which constitutes an exempted undertaking within the meaning of The Companies Act 1981, and to vary, transpose, dispose of or otherwise deal with from time to time as may be considered expedient any of the Company's investments for the time being;
  - (ii) To carry on any commercial or industrial business or undertaking, whether as manufacturers, concessionaires, contractors, wholesalers, retailers, factors or otherwise in any manner which may seem to the Company capable of being conveniently carried on in connection or conjunction with any other business of the Company or any company or companies for the time being related or associated in any way with the Company;
  - (iii) To enter into any guarantee, contract of indemnity or suretyship and to assure, support or secure with or without consideration or benefit the performance of any obligations of any person or persons and to guarantee the fidelity of individuals filling or about to fill situations of trust or confidence;  
  
Provided that this shall not be construed as authorizing the Company to carry on the business of banking as defined in The Banks Act, 1969 or the business of wholesale banking or financial guarantee business or the business of promissory note operations.
  - (iv) As set forth in paragraphs (b) to (n) and (p) to (t) inclusive of the Second Schedule of The Companies Act 1981.
8. The Company has the powers set out in the First Schedule to the Companies Act 1981 (excluding the power set out in paragraph 1 thereof) and the additional powers set out in the Schedule annexed hereto.

<sup>#</sup> The authorised share capital of the Company has been increased to HK\$675,000,000 divided into shares of HK\$1.25 each on 3 September 2003.

Signed by each subscriber in the presence of at least one witness attesting the signature thereof:-

(Sd.) PETER BUBENZER

(Sd.) S. CAMERON

.....

.....

(Sd.) RUBY L RAWLINS

(Sd.) S. CAMERON

.....

.....

(Sd.) MARCIA DE COUTO

(Sd.) S. CAMERON

.....

.....

(Sd.) VERNELLE FLOOD

(Sd.) S. CAMERON

.....

.....

(Subscribers)

(Witnesses)

SUBSCRIBED this 9<sup>th</sup> day of May, 1989

## The Schedule

(referred to in Clause 8 of the Memorandum of Association)

- (a) To borrow and raise money in any currency or currencies and to secure or discharge any debt or obligation in any matter and in particular (without prejudice to the generality of the foregoing) by mortgages of or charges upon all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by the creation and issue of securities.
- (b) To enter into any guarantee, contract of indemnity or suretyship and in particular (without prejudice to the generality of the foregoing) to guarantee, support or secure, with or without consideration, whether by personal obligation or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or both such methods or in any other manner, the performance of any obligations or commitments, of, and the repayment or payment of the principal amounts of and any premiums, interest, dividends and other moneys payable on or in respect of any securities or liabilities of, any person including (without prejudice to the generality of the foregoing) any company which is for the time being a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company.
- (c) To accept, draw, make, create, issue, execute, discount, endorse, negotiate bills of exchange, promissory notes, and other instruments and securities, whether negotiable or otherwise.
- (d) To sell, exchange, mortgage, charge, let on rent, share of profit, royalty or otherwise, grant licences, easements, options, servitudes and other rights over, and in any other manner deal with or dispose of, all or any part of the undertaking, property and assets (present and future) of the Company for any consideration and in particular (without prejudice to the generality of the foregoing) for any securities.
- (e) To issue and allot securities of the Company for cash or in payment or part payment for any real or personal property purchased or otherwise acquired by the Company or any services rendered to the Company or as security for any obligation or amount (even if less than the nominal amount of such securities) or for any other purpose.
- (f) To grant pensions, annuities, or other allowances, including allowances on death, to any directors, officers or employees or former directors, officers or employees of the Company or any company which at any time is or was a subsidiary or a holding company or another subsidiary of a holding company of the Company or otherwise associated with the Company or of any predecessor in business of any of them, and to the relations, connections or dependants of any such persons, and to other persons whose service or services have directly or indirectly been of benefit to the Company or whom the Company considers have any moral claim on the Company or to their relations, connections or dependants, and to establish or support any associations, institutions, clubs, schools, building and housing schemes, funds and trusts, and to make payments toward insurance or other arrangements likely to benefit any such persons or otherwise advance the interests of the Company or of its members, and to subscribe, guarantee or pay money for any purpose likely, directly or indirectly to further the interests of the Company or of its Members or for any national, charitable, benevolent, educational, social, public, general or useful object.
- (g) To purchase its own shares in accordance with the provisions of Section 42A of the Companies Act 1981.

THE COMPANIES ACT 1981  
(Section 11(1))

Subject to any provision of the law a company limited by shares shall without reference in its memorandum have the powers set out in the First Schedule unless any of such powers are excluded by its memorandum.

FIRST SCHEDULE

A company limited by shares may exercise all or any of the following powers subject to any provision of the law or its memorandum:-

- \*
1. to carry on any other business capable of being conveniently carried on in connection with its business or likely to enhance the value of or making profitable any of its property or rights;
  2. to acquire or undertake the whole or any part of the business, property and liabilities of any person carrying on any business that the company is authorized to carry on;
  3. to apply for register, purchase, lease, acquire, hold, use, control, licence, sell, assign or dispose of patents, patent rights, copyrights, trade marks, formulae, licences, inventions, processes, distinctive marks and similar rights;
  4. to enter into partnership or into any arrangement for sharing of profits, union of interest, co-operation, joint venture, reciprocal concession or otherwise with any person carrying on or engaged in or about to carry on or engage in any business or transaction that the company is authorized to carry on or engage in or any business or transaction capable of being conducted so as to benefit the company;
  5. to take or otherwise acquire and hold securities in any other body corporate having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as to benefit the company;
  6. subject to section 96 to lend money to any employee or to any person having dealings with the company or with whom the company proposes to have dealings or to any other body corporate any of whose shares are held by the company;
  7. to apply for, secure or acquire by grant, legislative enactment, assignment, transfer, purchase or otherwise and to exercise, carry out and enjoy any charter, licence, power, authority, franchise, concession, right or privilege, that any government or authority or any body corporate or other public body may be empowered to grant, and to pay for, aid in and contribute toward carrying it into effect and to assume any liabilities or obligations incidental thereto;
  8. to establish and support or aid in the establishment and support of associations, institutions, funds or trusts for the benefit of employees or former employees of the company or its predecessors, or the dependants or connections of such employees or former employees, and grant pension and allowances, and make payments towards insurance or for any object similar to those set forth in this paragraph, and to subscribe or guarantee money for charitable, benevolent, educational or religious objects or for any exhibition or for any public, general or useful objects;
  9. to promote any company for the purpose of acquiring or taking over any of the property and liabilities of the company or for any other purpose that may benefit the company;

## THE COMPANIES ACT 1981

10. to purchase, lease, take in exchange, hire or otherwise acquire any personal property and any rights or privileges that the company considers necessary or convenient for the purposes of its business;
11. to construct, maintain, alter, renovate and demolish any buildings or works necessary or convenient for its objects;
12. to take land in Bermuda by way of lease or letting agreement for a term not exceeding twenty-one years, being land "*bona fide*" required for the purposes of the business of the Company and with the consent of the Minister granted in his discretion to take land in Bermuda by way of lease or letting agreement for a similar period in order to provide accommodation or recreational facilities for its officers and employees and when no longer necessary for any of the above purposes to terminate or transfer the lease or letting agreement;
13. except to the extent, if any, as may be otherwise expressly provided in its incorporating Act or memorandum and subject to the provisions of this Act every company shall have power to invest the moneys of the Company by way of mortgage of real or personal property of every description in Bermuda or elsewhere and to sell exchange, vary, or dispose of such mortgage as the company shall from time determine;
14. to construct, improve, maintain, work, manage, carry out or control any road, ways, tramways, branches or sidings, bridges, reservoirs, watercourses, wharves, factories, warehouses, electric works, shops, stores and other works and conveniences that may advance the interests of the company and contribute to subsidize or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or control thereof;
15. to raise and assist in raising money for, and aid by way of bonus, loan, promise, endorsement, guarantee or otherwise, any person and guarantee the performance or fulfillment of any contracts or obligations of any person, and in particular guarantee the payment of the principal of and interest on the debt obligations of any such person;
16. to borrow or raise or secure the payment of money in such manner as the company may think fit;
17. to draw, make, accept, endorse, discount, execute and issue bills of exchange, promissory notes, bills of lading, warrants and other negotiable or transferable instruments;
18. when properly authorized to do so, to sell, lease, exchange or otherwise dispose of the undertaking of the company or any part thereof as an entirety or substantially as an entirety for such consideration as the company thinks fit;
19. to sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with the property of the company in ordinary course of its business;
20. to adopt such means of making known the products of the company as may seem expedient, and in particular by advertising, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes and rewards and making donations;

## THE COMPANIES ACT 1981

21. to cause the company to be registered and recognized in any foreign jurisdiction, and designate persons therein according to the laws of that foreign jurisdiction or to represent the company and to accept service for and on behalf of the company of any process or suit;
22. to allot and issue fully-paid shares of the company in payment or part payment of any property purchased or otherwise acquired by the company or for any past services performed for the company;
23. to distribute among the members of the company in cash, kind, specie or otherwise as may be resolved, by way of dividend, bonus or in any other manner considered advisable, any property of the company, but not so as to decrease the capital of the company unless the distribution is made for the purpose of enabling the company to be dissolved or the distribution, apart from this paragraph, would be otherwise lawful;
24. to establish agencies and branches;
25. to take or hold mortgages, hypothecs, liens and charges to secure payment of the purchase price, or of any unpaid balance of the purchase price, of any part of the property or the company of whatsoever kind sold by the company, or for any money due to the company from purchasers and others and to sell or otherwise dispose of any such mortgage, hypothec, lien or charge;
26. to pay all costs and expenses of or incidental to the incorporation and organization of the company;
27. to invest and deal with the moneys of the company not immediately required for the objects of the company in such manner as may be determined;
28. to do any of the things authorized by this subsection and all things authorized by its memorandum as principals, agents, contractors, trustee, or otherwise, and either alone or in conjunction with others;
29. to do all such other things as are incidental or conducive to the attainment of the objects and the exercise of the powers of the company.

Every company may exercise its powers beyond the boundaries of Bermuda to the extent to which the laws in force where the powers are sought to be exercised permit.

\* Not applicable

THE COMPANIES ACT 1981  
(Section 11(2))

A company limited by shares may amongst its objects by reference include in its memorandum any of the objects set out in the Second Schedule.

SECOND SCHEDULE

A company may by reference include in its memorandum any of the following objects that is to say the business of:-

- \* (a) insurance and re-insurance of all kinds;
- (b) packaging of goods of all kinds;
- (c) buying, selling and dealing in goods of all kinds;
- (d) designing and manufacturing of goods of all kinds;
- (e) mining and quarrying and exploration for metals, minerals, fossil fuels and precious stones of all kinds and their preparation for sale or use;
- (f) exploring for, the drilling for, the moving, transporting and refining petroleum and hydro carbon products including oil and oil products;
- (g) scientific research including the improvement, discovery and development of processes, inventions, patents and designs and the construction, maintenance and operation of laboratories and research centres;
- (h) land, sea and air undertaking including the land, ship and air carriage of passengers, mails and goods of all kinds;
- (i) ships and aircraft owners, managers, operators, agents, builders and repairers;
- (j) acquiring, owning, selling, chartering, repairing or dealing in ships and aircraft;
- (k) travel agents, freight contractors and forwarding agents;
- (l) dock owners, wharfingers, warehousemen;
- (m) ship chandlers and dealing in rope, canvas oil and ship stores of all kinds;
- (n) all forms of engineering;
- \* (o) developing, operating, advising or acting as technical consultants to any other enterprise or business;

## THE COMPANIES ACT 1981

- (p) farmers, livestock breeders and keepers, graziers, butchers, tanners and processors of and dealers in all kinds of live and dead stock, wool, hides, tallow, grain, vegetables and other produce;
- (q) acquiring by purchase or otherwise and holding as an investment inventions, patents, trade marks, trade names, trade secrets, designs and the like;
- (r) buying, selling, hiring, letting and dealing in conveyances of any sort;
- (s) employing, providing, hiring out and acting as agent for artists, actors, entertainers of all sorts, authors, composers, producers, directors, engineers and experts or specialists of any kind; and
- (t) to acquire by purchase or otherwise and hold, sell, dispose of and deal in real property situated outside Bermuda and in personal property of all kinds wheresoever situated.

\* Not applicable

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Company Limited by Shares

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**BYE - LAWS**  
**OF**  
**CHEVALIER INTERNATIONAL HOLDINGS LIMITED**

(Adopted by Special Resolutions at the Annual General Meeting  
held on 29th September, 1990, 20th September, 1996,  
3rd September, 2004 and 9th September, 2005)

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## Interpretation

1. The marginal notes to these bye-laws shall not affect their interpretation and in the interpretation of these bye-laws, unless there be something in the subject or context inconsistent therewith: -

"associates" shall have the meaning ascribed to it under the Rules Governing the Listing of Securities on the Stock Exchange from time to time;

Associates

"Clearing House" shall mean a recognised clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, modified or replaced or re-enacted from time to time or a clearing house or authorised share depository recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction;

Clearing House

"Hong Kong" shall mean Hong Kong Special Administrative Region of the People's Republic of China;

Hong Kong

the expressions "holding company" and "subsidiary" shall have the meanings ascribed to them by the Companies Act and/or the rules and regulations of the stock exchange in the relevant territories from time to time;

holding company and subsidiary

"the Company" or "this Company" shall mean CHEVALIER INTERNATIONAL HOLDINGS LIMITED;

the Company

"The Stock Exchange" mean The Stock Exchange of Hong Kong Limited and any other recognised stock exchange;

the Stock Exchange

"the Companies Act" or "the Act" shall mean the Companies Act 1981 of Bermuda as amended from time to time and includes every other act incorporated therewith or substituted therefor;

Companies Act the Act

"the Statutes" shall mean the Act and every other Act of the legislature of the Islands of Bermuda for the time being in force concerning companies and applying to or affecting the Company;

the Statutes

"head office" shall mean such office of the Company as the Directors may from time to time determine to be the principal office of the Company;

head office

the "relevant territories" shall mean Hong Kong or, in the event of the issued share capital of the Company no longer being listed with the consent of the Directors on any stock exchange in Hong Kong, such other territory or territories as the Directors may from time to time decide;

relevant territories

the "registration office" shall mean such place or places in the relevant territories or elsewhere where the Directors from time to time determine to keep a branch register of shareholders and where (except in cases where the Directors otherwise agree) transfers or other documents of title are to be lodged for registration and are to be registered;

registration office

"these bye-laws" or "the bye-laws" shall mean the present bye-laws and all supplementary, amended or substituted bye-laws for the time being in force;	these bye-laws the bye-laws
"capital" shall mean the share capital from time to time of the Company;	capital
"share" shall mean share in the capital of the Company;	share
"shareholders" or "members" shall mean the duly registered holders from time to time of the shares in the capital of the Company;	shareholders members
"the register" shall mean the register of members to be kept pursuant to the provisions of the Companies Act;	the register
"Directors" or "board" shall mean the Directors from time to time of the Company or (as the context may require) a majority of Directors present and voting at a meeting of Directors;	Directors board
"secretary" shall mean the person for the time being performing the duties of that office;	secretary
"auditors" shall mean the persons for the time being performing the duties of that office;	auditors
"the chairman" shall mean the chairman presiding at any meeting of members or of the board;	chairman
"Office" shall mean the registered office of the Company for the time being;	Office
"seal" shall mean the common seal from time to time of the Company or any other common seals of the Company for use in any place other than Bermuda;	seal
"securities seal" shall mean a seal for use for sealing certificates for shares or other securities issued by the Company which is a facsimile of the seal of the Company with the addition on its face of the words "Securities Seal";	securities seal
"dividend" shall include bonus and a distribution out of contributed surplus;	dividend
"HK dollars" and "HK\$" shall mean dollars legally current in Hong Kong;	HK dollars HK\$
"month" shall mean a calendar month;	month
"writing" or "printing" shall include writing, printing, lithography, photography, type-writing and every other mode of representing words or figures in a legible and non-transitory form;	writing printing
words denoting the singular shall include the plural and words denoting the plural shall include the singular;	singular and plural

- words importing either gender shall include the other gender and the neuter; gender
- words importing persons or the neuter shall include companies and corporations; and persons companies
- references to any statute or statutory provision shall be construed as relating to any statutory modification or re-enactment thereof for the time being in force. statutory provisions
- Subject as aforesaid, any words defined in the Act shall, if not inconsistent with the subject and/or context, bear the same meanings in these bye-laws. Words in the Act to bear same meaning in bye-laws
- A resolution shall be a Special Resolution when it has been passed by a majority of not less than three-fourths of such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their respective duly authorised representative or, where proxies and attorneys are allowed, by proxy or by attorney at a general meeting of which not less than 21 days' notice, specifying (without prejudice to the power contained in the bye-laws to amend the same) the intention to propose the resolution as a Special Resolution, has been duly given. Provided that, if it is so agreed by a majority in number of the members having a right to attend and vote at any such meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right, a resolution may be proposed and passed as a Special Resolution at a meeting of which less than 21 days' notice has been given. Special Resolution
- A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of such members as, being entitled so to do, vote in person or, in the case of any member being a corporation, by its duly authorised representative or, where proxies and attorneys are allowed, by proxy or by attorney at a general meeting held in accordance with the bye-laws Ordinary Resolution
- A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of the bye-laws or the Statutes.
2. Without prejudice to any other requirements of the Companies Act, a Special Resolution shall be required to alter the provisions of the memorandum of association, to approve any amendment of the Bye-laws or to change the name of the Company. Alteration of memorandum of association, bye-laws and name

### **Share capital and modification of rights**

3. (A) The capital of the Company at the date of the adoption of these bye-laws is HK\$225,000,000 divided into 900,000,000 ordinary shares of a par value of HK\$0.25 each. Capital
- (B) Subject to the Statutes, the power contained in the memorandum of association for the Company to purchase its shares shall be exercisable by the Directors upon such terms and subject to such conditions as they think fit. Purchase of shares

4. (A) Without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with such preferred, deferred, qualified or other special rights, privileges or conditions or subject to such restrictions, whether as regards dividend, voting, return of share capital or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine) and any preference share may, with the sanction of a Special Resolution, be issued on the terms that it is, or at the option of the Company is liable, to be redeemed or at the option of the holder is liable to be redeemed. Issue of shares
- (B) The Directors may issue warrants to subscribe for any class of shares or securities of the Company on such terms as they may from time to time determine. Where such share warrants are lost, no new warrant shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed and have received an indemnity in satisfactory form with regard to the issue of any new such warrant.
5. (A) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Statutes, be varied, modified or abrogated with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these bye-laws relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum at such meeting (other than at an adjourned meeting) shall be two persons at least holding or representing by proxy one-third in nominal value of the issued shares of that class and that any holder of shares of the class present in person (or, in the case of a holder being a corporation, present by its duly authorised representative) or by proxy may demand a poll. At any adjourned meeting of such holders, two holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum. How rights of shares may be modified
- (B) The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied, modified or abrogated by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

#### **Shares and increase of capital**

6. (A) Subject to the Statutes, the Company may give financial assistance on such terms as the Directors think fit to directors and bona fide employees of the Company, its subsidiaries, and any holding company of the Company and/or any subsidiary of Company not to give financial assistance

any such holding company, in each such case whether incorporated in Bermuda or elsewhere, in order that they may buy shares (fully or partly paid) in the Company or any holding company of the Company and such terms may include a provision stating that, when a director ceases to be a director of, or an employee ceases to be employed by the Company or such other company, shares bought with such financial assistance shall or may be sold to the Company or such other company on such terms as the Directors think fit.

- (B) Subject to the Statutes, the Company may in accordance with any scheme for the time being in force and approved by the members in general meeting provide, directly or indirectly, money or other financial assistance for the purchase of or in connection with the purchase of, or subscription for, fully or partly paid shares in the Company or any holding company of the Company, being a purchase of or subscription for shares by a trustee of or to be held by or for the benefit of employees of the Company, any of its subsidiaries, any holding company of the Company and/or any subsidiary of any such holding company in each such case whether incorporated in Bermuda or elsewhere including a director holding a salaried employment or office with or in any such company and so that the residual beneficiary of any such trust may be or include a charitable object.
7. The Company in general meeting may from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by Ordinary Resolution increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Power to increase capital
8. (A) Any new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct and, if no direction be given, subject to the provisions of the Companies Act and of these bye-laws, as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a special or without any right of voting. On what conditions new shares may be issued
- (B) Subject to the provisions of the Act, any shares may, with the sanction of a Special Resolution, be issued on terms that they are, or at the option of the Company or the holder are liable, to be redeemed.
9. The Company may by Ordinary Resolution, before the issue of any new shares, determine that the same, or any of them, shall be offered in the first instance, and either at par or at a premium, to all the existing holders of any class of shares in proportion as nearly as may be to the number of shares of each class held by them respectively, or make any provisions as to the issue and allotment of such shares, but in default of any such determination or so far as the same shall not extend, such When to be offered to existing members

shares may be dealt with as if they formed part of the shares in the capital of the Company existing prior to the issue of the same.

10. Except so far as otherwise provided by the conditions of issue or by these bye-laws, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company and such shares shall be subject to the provisions contained in these bye-laws with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise. New shares to form part of original capital
11. Subject to the provisions of the Companies Act and of these bye-laws relating to new shares, all unissued shares in the company shall be at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and on such terms as the board shall in its absolute discretion think fit, but so that no shares shall be issued at a discount. Shares at the disposal of the board
12. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but so that the conditions and requirements of the Statutes shall be observed and complied with, and in each case the commission shall not exceed ten per cent. of the price at which the shares are issued. Company may pay commissions
13. Except as otherwise expressly provided by these bye-laws or as required by law or as ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder. Company not to recognise trusts in respect of shares

### **Register of members and share certificates**

14. (A) The Directors shall cause to be kept a register of the members and there shall be entered therein the particulars required under the Companies Act. Register  
  
(B) Subject to the provisions of the Companies Act, if the Directors consider it necessary or appropriate, the Company may establish and maintain one or more branch registers of members at such locations outside Bermuda as the Directors think fit.
15. Every person whose name is entered as a member in the register shall be entitled without payment to receive, within three weeks after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide), one certificate for all his shares or, if he shall so request and upon payment, in the case of a transfer, of HK\$2 for every certificate after the first or such lesser sum as the Directors shall from time to time determine, such number of certificates for such respective numbers of shares as he shall request, provided that in respect of a share or shares held jointly by several persons the Company Share certificates

shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders.

16. Every certificate for shares or debentures or representing any other form of security of the Company shall be issued under the securities seal of the Company. Share certificate to be sealed
17. Every share certificate hereafter issued shall specify the number and class and distinguishing numbers (if any) of the shares in respect of which it is issued and the amount paid thereon and may otherwise be in such form as the Directors may from time to time prescribe. No certificate shall be issued representing shares of more than one class. Every certificate to specify number of shares
18. If any share shall stand in the names of two or more persons, the person first named in the register shall be deemed the sole holder thereof as regards service of notices and, subject to the provisions of these by-laws, all or any other matters connected with the Company, except the transfer of the share. Joint holders
19. If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee, if any, not exceeding HK\$2.00 and on such terms and conditions, if any, as to publication of notices, evidence and indemnity, as the Directors think fit. Replacement share certificates

### **Lien**

20. The Company shall have a first and paramount lien on every share (not being a fully paid up share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share. The Company's lien (if any) on a share shall extend to all dividends and bonuses declared in respect thereof. The Directors may resolve that any share shall for some specified period be exempt wholly or partially from the provisions of this bye-law. Company's lien
21. The Company may sell in such manner as the Directors think fit any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of intention to sell in default, shall have been given to the registered holder for the time being of the shares or the person entitled by reason of such holder's death or bankruptcy to the shares. Sale of shares subject to lien
22. The net proceeds of such sale after the payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability or engagement in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof and may enter the purchaser's name in the register as holder of Application of proceeds of such sale

the shares, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

### Calls on shares

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| 23. | The Directors may from time to time make such calls as they may think fit upon the members in respect of any monies unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times. A call may be made payable either in one sum or by instalments. The board may, but is not obliged to, allot shares on terms that if a sum payable in respect of any call is not duly paid, the Directors may exercise the powers of forfeiture contained in bye-laws 49 to 58 of the bye-laws, but the holders of the relevant shares shall have no other contractual liability to the Company in respect of such unpaid sums. | Calls<br><br>Instalments                                    |
| 24. | Fourteen days' notice at least of any call shall be given specifying the time and place of payment and to whom such call shall be paid.   | Notice of call  |
| 25. | A copy of the notice referred to in bye-law 24 shall be sent to members in the manner in which notices may be sent to members by the Company as herein provided.  | Copy of notice to be sent to member                         |
| 26. | Every member upon whom a call is made shall pay the amount of every call so made on him to the person and at the time or times and place or places as the Directors shall appoint.  | Every member liable to pay call at appointed time and place |
| 27. | A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.   | When call deemed to have been made                          |
| 28. | The joint holders of a share shall be severally as well as jointly liable for the payment of all calls and instalments due in respect of such share or other moneys due in respect thereof.   | Liability of joint holders                                  |
| 29. | The Directors may from time to time at their discretion extend the time fixed for any call, and may extend such time as to all or any of the members, whom from residence outside Hong Kong or other cause the Directors may deem entitled to any such extension but no member shall be entitled to any such extension except as a matter of grace and favour.  | Board may extend time fixed for call                        |
| 30. | Unless the terms of allotment of the shares in respect of which a call is made otherwise provide, if the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest for the same at such rate not exceeding twenty per cent. per annum as the board shall fix from the day appointed for the payment thereof to the time of the actual payment, but the board may waive payment of such interest wholly or in part.   | Interest on unpaid calls                                    |
| 31. | No member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another member) at any general meeting, either personally or by proxy, or be reckoned in a quorum, or to exercise any other privilege as a member until all calls or instalments due from him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.  | Suspension of privileges while call unpaid                  |

32. On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the register as the holder, or one of the holders, of the shares in respect of which such debt accrued; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the member sued, in pursuance of these bye-laws; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt. Evidence in action for call
33. Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date, whether on account of the nominal value of the share and/or by way of premium, shall for all purposes of these bye-laws be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment all the relevant provisions of these bye-laws as to payment of interest and expenses, forfeiture and the like, shall apply as if such sums had become payable by virtue of a call duly made and notified. Sums payable on allotment deemed a call
34. The Directors may, if they think fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and upon all or any of the moneys so advanced the Company may pay interest at such rate (if any) as the Directors may decide. Where any interest is paid, the holder of the share or shares shall not be entitled to participate in respect thereof in a dividend subsequently declared. The Directors may at any time repay the amount so advanced upon giving to such member not less than one month's notice in writing of their intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. Payment of calls in advance

### **Transfer of shares**

35. (A) The Directors may, in their absolute discretion, at any time and from time to time transfer any share upon the register of members to any branch register or any share on any branch register to the register of members or any other branch register. Registration
- (B) Unless the Directors otherwise agree, no shares on the register of members may be transferred to any branch register nor may shares on any branch register be transferred to the register of members or any other branch register. All transfers and other documents of title must be lodged for registration, in the case of shares on a branch register, at the relevant registration office and, in the case of shares on the register of members, at the Office or at such other place as the Directors may appoint.
36. All transfers of shares may be effected by transfer in writing in the usual common form or in such other form as the Directors may accept and may be under hand only. In the case of a corporate transferor or transferee, the transfer may be executed by such mechanical form of Form of transfer

- signature as the Board may approve in the case of any particular company subject to such conditions as the Board may think fit to impose. All instruments of transfer must be left at the registered office or at such other place as the Directors may appoint.
37. The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee, provided that the Directors may dispense with the execution of the instrument of transfer by the transferee in any case which they think fit in their discretion so to do. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect thereof. Nothing in these bye-laws shall preclude the board from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person. Execution of transfer
38. The board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien. Directors may refuse to register a transfer
39. If the board shall refuse to register a transfer of any share, it shall, within two months after the date on which the transfer was lodged at the registration office or Office, send to each of the transferor and the transferee notice of such refusal. Notice of refusal
40. The Directors may also decline to recognise any instrument of transfer unless:- Requirements as to transfer
- (i) a fee of such sum as the Stock Exchange may determine to be payable or such lesser sum as the Board may from time to time require is paid to the Company in respect thereof;
  - (ii) the instrument of transfer is lodged at the relevant registration office or Office, as the case may be, and accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
  - (iii) the instrument of transfer is in respect of only one class of share; and
  - (iv) if applicable, the instrument of transfer is properly stamped.
41. No transfer shall be made to an infant or to a person of unsound mind or under other legal disability. No transfer to an infant etc.
42. Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued without charge to the transferee in respect of the shares transferred to him, and if any of the shares included in the certificate so given up shall be retained by the transferor a new certificate in respect thereof shall be issued to him without charge. The Company shall also retain the transfer. Certificate of transfer

43. The registration of transfers may be suspended and the register and any branch register closed subject to compliance with any requirements regarding advertisement contained in the Companies Act at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended or the register closed for more than thirty days in any year.
- When transfer books and register may be closed

### **Transmission of shares**

44. In the case of the death of a member, the survivor or survivors where the deceased was a joint holder and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.
- Death of registered holder or of joint holder of shares
45. Subject to Section 52 of the Act any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence as to his title being produced as may from time to time be required by the Directors, and subject as hereinafter provided, either be registered himself as holder of the share or elect to have some person nominated by him registered as the transferee thereof.
- Registration of personal representatives and trustee in bankruptcy
46. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered, he shall testify his election by executing to his nominee a transfer of such share. All the limitations, restrictions and provisions of the bye-laws 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 notice or transfer executed by such member.
- Notice of election to be registered  
  
Registration of nominee
47. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Directors may, if they think fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of bye-law 81 being met, such a person may vote at meetings.
- Retention of dividends, etc., until transfer or transmission of shares of a deceased or bankrupt member

### **Untraceable members**

48. (A) Without prejudice to the rights of the Company under paragraph (B) of this bye-law, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.
- Dividend entitlements etc., of untraceable members

- (B) The Company shall have the power to sell, in such manner as the board thinks fit, any shares of a member who is untraceable, but no such sale shall be made unless:-
- (i) all cheques or warrants, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the bye-laws of the Company have remained uncashed;
  - (ii) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and
  - (iii) where such shares are listed on the Stock Exchange, the Company has caused an advertisement to be inserted in a leading English language daily newspaper and a leading Chinese language daily newspaper circulating in Hong Kong giving notice of its intention to sell such shares and has notified the Stock Exchange of such intention and a period of three (3) months has elapsed since the date of such advertisement.

For the purpose of the foregoing, the "relevant period" means the period commencing twelve (12) years before the date of publication of the advertisement referred to in paragraph (iii) of this bye-law and ending at the expiry of the period referred to in that paragraph.

- (C) To give effect to any such sale, the board may authorise some person to transfer the said shares and an instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this bye-law shall be valid and effective notwithstanding that the member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.

## Forfeiture of shares

49. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors may, at any time during such time as any part thereof remains unpaid, without prejudice to the provisions of bye-law 31, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. If call or instalment not paid notice may be given
50. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited. Form of notice
51. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share, and not actually paid before the forfeiture. If notice not complied with, shares may be forfeited
52. Any share so forfeited shall be deemed to be the property of the Company, and may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit. Forfeited shares to be deemed property of Company
53. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but unless the terms of allotment of the shares in respect of which a call is made and remains unpaid otherwise provide, shall, notwithstanding forfeiture, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the Directors shall in their discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding twenty per cent. per annum as the Directors may prescribe, and the Directors may enforce the payment thereof if they think fit, and without any deduction or allowance for the value of the shares, at the date of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. For the purposes of this bye-law any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value of the share or by way of premium, shall notwithstanding that that time has not yet arrived be deemed to be payable at the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment. Arrears to be paid notwithstanding forfeiture

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| 54. | A statutory declaration in writing that the declarant is a Director or secretary of the Company, and that a share in the Company has been duly forfeited or surrendered on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share. | Evidence of forfeiture  |
| 55. | When any share shall have been forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register.   | Notice after forfeiture   |
| 56. | Notwithstanding any such forfeiture as aforesaid the Directors may at any time, before any share so forfeited shall have been sold, re-allotted, or otherwise disposed of, permit the share forfeited to be redeemed upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as they think fit.  | Power to redeem forfeited shares                                  |
| 57. | The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.  | Forfeiture not to prejudice Company's right to call or instalment |
| 58. | The provisions of these bye-laws as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.  | Forfeiture for non-payment of any sum due on shares               |

#### **Alteration of capital**

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| 59. | (A) The Company may from time to time by Ordinary Resolution:-  |   |
|     | (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; on any consolidation of fully paid shares into shares of larger amount, the board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the board for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed | Consolidation and division of capital and sub-division and cancellation of shares |

among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;

- (ii) 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 share capital by the amount of the shares so cancelled; and
- (iii) sub-divide its shares or any of them into shares of a smaller amount than is fixed by the memorandum of association, subject nevertheless to the provisions of the Statutes, 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.

- (B) The Company may by Special Resolution reduce its authorised or issued share capital or any share premium account or other undistributable reserve in any manner authorised and subject to any conditions prescribed by the Statutes. Reduction of capital

### **Borrowing powers**

60. Subject to the provisions of the Statutes the Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and uncalled capital or any part thereof. Power to borrow
61. The Directors may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and, subject to the Act, by the issue of debentures, debenture stock, bonds or other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. Conditions on which money may be borrowed
62. Debentures, debenture stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Assignment
63. Any debentures, debenture stock, bonds or other securities may be issued at a discount (other than shares), premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise. Special privileges
64. The Directors shall cause a proper register of charges to be kept of all mortgages and charges specifically affecting the property of the Company and of all series of debentures issued by the Company and shall duly comply with the requirements of the Companies Act in Register of charges and debentures

regard to the registration of mortgages, charges and debentures therein specified and otherwise.

65. Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by notice to the members or otherwise, to obtain priority over such prior charge. Mortgage of uncalled capital

### General meetings

66. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Directors shall appoint. When annual general meeting to be held
67. All general meetings other than annual general meetings shall be called special general meetings. Special general meeting
68. The Directors may, whenever they think fit, convene a special general meeting and special general meetings shall also be convened on requisition, as provided by the Statutes, or, in default, may be convened by the requisitionists. Convening of special general meeting
69. An annual general meeting and any special general meeting called for the passing of a Special Resolution shall be called by twenty-one days' notice in writing at the least, and all other special general meetings of the Company shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these bye-laws, entitled to receive such notices from the Company, provided that subject to the provisions of the Companies Act, a meeting of the Company notwithstanding that it is called by shorter notice than that specified in this bye-law be deemed to have been duly called if it is so agreed:- Notice of meetings
- (i) in the case of a meeting called as an annual general meeting, by all the members entitled to attend and vote thereat; and
  - (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right.
70. (A) The accidental omission to give any such notice to, or the non-receipt of any such notice by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting. Omission to give notice

- (B) In cases where instruments of proxy are sent out with notices, the accidental omission to send such instrument of proxy to, or the non-receipt of such instrument of proxy by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.

### **Proceedings at general meetings**

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| 71. | All business shall be deemed special that is transacted at a special general meeting, and also all business that is transacted at an annual general meeting, with the exception of sanctioning dividends, the reading, considering and adopting of the accounts and balance sheet and the reports of the Directors and auditors and other documents required to be annexed to the balance sheet, the election of Directors and appointment of auditors and other officers in the place of those retiring, the fixing of the remuneration of the auditors, and the voting of remuneration or extra remuneration of the Directors.   | Special business<br><br>Business of annual general meeting      |
| 72. | For all purposes the quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. No business other than the appointment of a chairman shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business.  | Quorum  |
| 73. | If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Directors, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, two members present in person (or by corporate representative) or by proxy shall be a quorum and may transact the business for which the meeting was called.  | If quorum not present meeting to be dissolved or adjourned      |
| 74. | The chairman of the board shall take the chair at every general meeting, or, if there be no such chairman or, if at any general meeting such chairman shall not be present within fifteen minutes after the time appointed for holding such meeting, the members present shall choose another Director as chairman, and if no Director be present, or if all the Directors present decline to take the chair, or if the chairman chosen shall retire from the chair, then the members present shall choose one of their own number to be chairman.   | Chairman of general meeting                                     |
| 75. | The Chairman may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time (or sine die) and from place to place as the meeting shall determine. Whenever a meeting is adjourned for fourteen days or more, at least seven clear days' notice, specifying the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place. | Power to adjourn general meeting, business of adjourned meeting |

76. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:-
- Who may demand a poll
- (i) the chairman; or
  - (ii) at least three members present in person or by proxy or by representative for the time being entitled to vote at the meeting; or
  - (iii) any member or members present in person or by proxy or by representative and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - (iv) a member or members present in person or by proxy or by representative and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll be so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

Evidence of passing of a resolution where poll not demanded

77. If a poll is demanded as aforesaid, it shall (subject as provided in by-law 78) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded as the chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.
- Poll

78. Any poll duly demanded on the election of a chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.
- In what case poll taken without adjournment

79. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
- Chairman to have casting vote

80. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
- Business may proceed notwithstanding demand for poll

### Votes of members

81. Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares or stipulated in the terms of issue of any shares, at any general meeting on a show of
- Votes of members

hands every member who (being an individual) is present in person or (being a corporation) is present by a representative duly authorised under the Companies Act shall have one vote, and on a poll every member present in person or by proxy or (being a corporation) is present by a duly authorised representative shall have one vote for every share of which he is the holder which is fully paid up or credited as fully paid up and shall have for every partly paid share of which he is the holder the fraction of one vote equal to the proportion which the nominal amount paid up or credited as paid up thereon bears to the nominal value of the share (but no amount paid or credited as paid up on a share in advance of calls or instalments shall be treated for the purposes of this bye-law as paid up on the share). On a poll a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

- 81A Where the Company has knowledge that any member is, under the applicable Statutes and/or the rules and regulations of the stock exchange in the relevant territories from time to time, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted;
82. Any person entitled under bye-law 45 to be registered as a shareholder may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least 48 hours before the time of the holding of the meeting or adjourned meeting (as the case may be) at which he proposes to vote, he shall satisfy the Directors of his right to be registered as the holder of such shares or the Directors shall have previously admitted his right to vote at such meeting in respect thereof. Votes in respect of deceased and bankrupt members
83. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto: but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this bye-law be deemed joint holders thereof. Joint holders
84. A member of unsound mind or in respect of whom an order has been issued by any court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other person may on a poll vote by proxy. Votes of member of unsound mind
85. (A) Save as expressly provided in these bye-laws, no person other than a member duly registered and who shall have paid everything for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member) either personally or by proxy, or to be reckoned in a quorum, at any general meeting. Qualification for voting

- (B) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman, whose decision shall be final and conclusive.
86. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. In addition, a proxy or proxies representing either an individual shareholder or a shareholder which is a corporation, shall be entitled to exercise the same powers on behalf of the shareholder which he or they represent as such shareholder could exercise, including the right to vote individually on a show of hands. Proxies
87. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. Instrument appointing proxy to be in writing
88. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the head office of the Company or at such other place as is specified in the notice of meeting or in the instrument of proxy issued by the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after expiration of twelve months from the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date. Appointment of proxy must be deposited
89. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Directors may from time to time approve which form shall not preclude the use of a two way proxy. Form of proxy
90. The instrument appointing a proxy to vote at a general meeting shall: (i) be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit; and (ii) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates. Authority under instrument appointing proxy
91. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or power of attorney or other authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid When vote by proxy valid though authority revoked

shall have been received by the Company at its head office, or at such other place as is referred to in bye-law 88, at least two hours before the commencement of the meeting or adjourned meeting at which the proxy is used.

92. Any corporation which is a member of the Company may, by resolution of its directors or other governing body or by power of attorney, authorised such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company. References in these Bye-laws to a member present in person at a meeting shall, unless the context otherwise requires, include a corporation which is a member represented at the meeting by such duly authorised representative or by one or more proxies. Nothing contained in this Bye-law shall prevent a corporation which is a shareholder of the Company from appointing one or more proxies to represent it pursuant to Bye-law 86.
- 92A If a clearing house (or its nominee) is a shareholder/warrantholder of the Company, it may appoint such person or persons as it thinks fit to act as its proxy or proxies or as its representative at any meeting of the Company or at any meeting of any class of shareholders of the Company or warrantholders' meeting (as the case may be) of the Company provided that, if more than one proxy is so appointed, the appointment shall specify the number and class of shares/warrants (as the case may be) in respect of which each such proxy is so appointed. A person so appointed under the provisions of this Bye-law shall be entitled to exercise the same powers on behalf of the clearing house (or its nominee) could exercise as if it were an individual shareholder or warrantholder of the Company (as the case may be).
93. A corporation shall for the purpose of the bye-laws be deemed to be present in person at any such meeting if a person authorised as referred to in bye-law 92 is present thereat. Any reference in the bye-laws to a duly authorised representative of a member being a corporation shall mean a representative authorised under the provisions of these bye-laws.

Corporation acting by representative

### **The board**

94. The number of Directors shall not be less than two. There shall be no maximum number of Directors.
95. The Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the shareholders in general meeting.
96. (A) Any Director may at any time by writing under his hand and deposited at the head office, or delivered at a meeting of the Directors, appoint any person (including another Director) to be his alternate Director and may in like manner at any time terminate such appointment. Such appointment, unless

Constitution of board

Board may fill vacancies

Alternate Directors

previously approved by the Directors, shall have effect only upon and subject to being so approved.

- (B) The appointment of an alternate Director shall determine on the happening of any event which, were he a Director, would cause him to vacate such office or if his appointor ceases to be a Director.
- (C) An alternate Director shall (except when absent from the relevant territories), be entitled to receive notices of meetings of the Directors and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all the functions of his appointor as a Director and for the purposes of the proceedings at such meeting as an alternate for more than one Director his voting rights shall be cumulative. If his appointor is for the time being absent from the territory in which the head office is situate or otherwise not available or unable to act, his signature to any resolution in writing of the Directors shall be as effective as the signature of the Director for whom he is the alternate. To such extent as the Directors may from time to time determine in relation to any committee of the Directors, the foregoing provisions of this paragraph shall also apply mutatis mutandis to any meeting of any such committee of which his appointor is a member. An alternate Director shall not, save as aforesaid, have power to act as a Director nor shall he be deemed to be a Director for the purposes of these bye-laws.
- (D) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.
97. A Director or an alternate Director shall not be required to hold any shares in the Company by way of qualification. A Director or alternate Director who is not a member of the Company shall nevertheless be entitled to attend and speak at general meetings. Qualification shares for Directors and alternate Directors
98. The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the board may agree, or, failing agreement, equally, except that any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. Directors' remuneration
99. The Directors shall also be entitled to be repaid all travelling and hotel expenses reasonably incurred by them respectively in or about the Directors' expenses

performance of their duties as Directors, including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company.

100. The board may grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary or commission or participation in profits or otherwise as may be arranged. Special remuneration
101. Notwithstanding bye-laws 98, 99 and 100, the remuneration of a managing director, joint managing director, deputy managing director or other executive director or a director appointed to any other office in the management of the Company shall from time to time be fixed by the Directors and may be by way of salary, commission, or participation in profits or otherwise or by all or any of those modes and with such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Directors may from time to time decide. Such remuneration shall be in addition to his remuneration as a Director. Remuneration of Managing Directors, etc.
102. (A) A Director shall vacate his office:- When office of Director to be vacated
- (i) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
  - (ii) if he becomes a lunatic or of unsound mind;
  - (iii) if he absents himself from the meetings of the board during a continuous period of six months, without special leave of absence from the board, and his alternate Director (if any) shall not during such period have attended in his stead, and the board passes a resolution that he has by reason of such absence vacated his office;
  - (iv) if he becomes prohibited from being a Director by reason of any order made under any provision of the Companies Act;
  - (v) if by notice in writing delivered to the Company at the Office or the head office he resigns his office;
  - (vi) if, having been appointed to an office under bye-law 104, he is dismissed or removed therefrom by the board under bye-law 105;
  - (vii) if he shall be removed from office by an Ordinary Resolution of the Company under bye-law 118;
  - (viii) if he shall be convicted in any jurisdiction of a criminal offence involving dishonesty.

- (B) No Director shall be required to vacate office or be ineligible for re-election or re-appointment as a Director and no person shall be ineligible for appointment as a Director by reason only of his having attained any particular age.

103. (A) (i) No Director or intended Director shall be disqualified by his office from contracting, in his own capacity or by his associate(s) with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person, company or partnership of or in which any Director or his associate(s) shall be a member or otherwise interested be capable on that account of being avoided, nor shall any Director or his associate(s) so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director or his associate(s) holding that office or the fiduciary relationship thereby established, provided that such Director shall forthwith disclose the nature of his or his associate(s) interests in any contract or arrangement in which he or any of his associate(s) is/are interested as required by and subject to the provisions of the Companies Act.

Directors may contract with Company

- (ii) Notwithstanding such disclosure is made as aforesaid, a Director shall, subject as provided in bye-law 103(A) (iii) not be entitled to vote in respect of any contract or arrangement in which he or any of his associate(s) is/are materially interested and he shall not be counted in the quorum present at the meeting at which such contract or arrangement is considered. The question whether a director or his associate(s) is/are materially interested in a contract or arrangement shall be determined by a resolution of the Board in respect of which the Director or any of his associate(s) whose interest is/are being discussed shall not be entitled to vote.

- (iii) Notwithstanding that a Director or his associate(s) is/are or may be materially interested in any relevant contract or arrangement, he shall be entitled to vote on any resolution proposed at a meeting of the board in relation to the following matters:-

- (a) the giving to such Director or any of his associate(s) of any security or indemnity in respect of money lent or obligations incurred or undertaken by him and/or any of his associate(s) at the request of or for the benefit of the Company or any of its subsidiaries;

- (b) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in

whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

- (c) any contract, arrangement or proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant(s) in the underwriting or sub-underwriting of the offer;
- (d) any contract, arrangement or proposal in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;
- (e) any contract, arrangement or proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of any of his associates is derived) or of the voting rights. For the purpose of this paragraph, there shall be disregarded any shares held by a Director or his associate(s) as bare trustee or custodian and in which he or any of them has no beneficial interest (discretionary or otherwise), any shares comprised in a trust in which the Director's interest and/or the interest of his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder(s) and any shares which carry no voting rights at general meetings and very restrictive dividend and return of capital rights;
- (f) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including;
  - (i) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme

involving the issue or grant of options over shares or other securities of the Company under which the Director or his associate(s) may benefit; or

- (ii) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, their associates(s) and employees of the Company or any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates.
  
- (iv) Any Director may continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other Company in which the Company may be interested and (unless otherwise agreed) no such Director shall be accountable for any remuneration or other benefits received by him as a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any such other company. The Directors may exercise the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, joint managing directors, deputy managing directors, executive directors, managers or other officers of such company) and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or be about to be, appointed a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.
  
- (v) A general notice to the Directors by a Director that he or any of his associate(s) is/are to be regarded as interested in any contract or arrangement which may be made with any specified person, firm or corporation after the date of such notice shall be a sufficient declaration of interest in relation to any contract or arrangement so made, provided that no such notice shall be of effect unless either it is given at a meeting of the Directors or the Director takes reasonable steps to ensure that it is brought up and read at the next meeting of the Directors after it is given.

- (B) A Director may be or become a director of any company promoted by the Company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a director or member of such company.
- (C) Any Director may act by himself or by his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.
- (D) Notwithstanding any other provisions of this bye-law, any payment to a Director or past Director of the Company by way of compensation for loss of office or as consideration for or in connection with his retirement from office other than payments to which a Director is entitled by contract must be approved by the Company in general meeting.
- (E) The provisions set out in bye-law 103 shall apply in all respects to each of the alternate directors of the Company to the same extent mutatis mutandis as if he were a Director.

#### **Managing Directors, etc.**

- |      |   |  |
|------|---|--|
| 104. | The board may from time to time appoint any one or more of its body to the office of managing director, joint managing director, deputy managing director, or other executive director and/or such other office in the management of the business of the Company as it may decide for such period and upon such terms as it thinks fit and upon such terms as to remuneration as it may decide in accordance with bye-law 101.                                    | Power to appoint managing Director, etc. |
| 105. | Every Director appointed to an office under bye-law 104 hereof shall, subject to the provisions of any contract between himself and the Company with regard to his employment in such office, be liable to be dismissed or removed therefrom by the board.  | Removal of managing Director, etc.       |
| 106. | A Director appointed to an office under bye-law 104 shall be subject to the same provisions as to removal as the other Directors, and he shall (subject to the provisions of any contract between him and the Company) ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.   | Cessation of appointment                 |
| 107. | The Directors may from time to time entrust to and confer upon a managing Director, joint managing Director, deputy managing Director or executive Director all or any of the powers of the Directors that they may think fit. But the exercise of all powers by such Director shall be subject to such regulations and restrictions as the Directors may from time to time make and impose, and the said powers may at any time be withdrawn, revoked or varied. | Powers may be delegated                  |

## **Management**

108. (A) Subject to any exercise by the Directors of the powers conferred by bye-laws 109 to 111, the management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by these bye-laws expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the Companies Act expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Companies Act and of these bye-laws and to any regulations from time to time made by the Company in general meeting not being inconsistent with such provisions or these bye-laws, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.
- General powers  
of Company  
vested in  
Directors
- (B) Without prejudice to the general powers conferred by these bye-laws, it is hereby expressly declared that the Directors shall have the following powers:-
- (i) to give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed;
  - (ii) to give any Directors, officers or servants of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration.

## **Managers**

109. The Directors may from time to time appoint a general manager, manager or managers of the Company and may fix his or their remuneration either by way of salary or commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes and pay the working expenses of any of the staff of the general manager, manager or managers who may be employed by him or them upon the business of the Company.
- Appointment  
and  
remuneration of  
managers
110. The appointment of such general manager, manager or managers may be for such period as the Directors may decide and the Directors may confer upon him or them all or any of the powers of the Directors as they may think fit.
- Tenure of office  
and powers

111. The Directors may enter into such agreement or agreements with any such general manager, manager or managers upon such terms and conditions in all respects as the Directors may in their absolute discretion think fit, including a power for such general manager, manager or managers to appoint an assistant manager or managers or other employees whatsoever under them for the purpose of carrying on the business of the Company.

Terms and conditions of appointment

### **Retirement of Directors**

112. (A) Notwithstanding any other provisions in the Bye-laws but subject to the Statutes, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. Every Director shall retire from office no later than the third annual general meeting since the last re-election or appointment of such Director.
- (B) The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election and any Director appointed pursuant to the provisions of bye-law 95. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.
- (C) The retirement of a Director pursuant to the foregoing bye-laws shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.
113. (A) The Company at any general meeting at which any Directors retire in manner aforesaid may fill the vacated office by electing a like number of persons to be Directors.
- (B) A resolution for the election of two or more persons as Directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.

Retirement of Directors

Meeting to fill up vacancies

114. If at any general meeting at which an election of Directors ought to take place, the places of the retiring Directors are not filled the retiring Directors or such of them as have not had their places filled shall be deemed to have been re-elected and shall, if willing, continue in office until the next annual general meeting and so on from year to year until their places are filled, unless:-
- Retiring Directors to remain in office till successors appointed
- (i) it shall be determined at such meeting to reduce the number of Directors; or
  - (ii) it is expressly resolved at such meeting not to fill up such vacated offices; or
  - (iii) in any such case the resolution for re-election of a Director is put to the meeting and lost.
115. The Company may from time to time in general meeting by Ordinary Resolution increase or reduce the number of Directors but so that the number of Directors shall never be less than two. The Company may from time to time in general meeting by Ordinary Resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at the meeting.
- Power of general meeting to increase or reduce number of Directors
116. No person, other than a retiring Director, shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company in each case, during the period (being a period of at least seven days) commencing on the day after despatch of the notice of general meeting at which elections to the office of Director are to be considered and ending on the day that falls seven days before the date of the general meeting (both days inclusive).
- Notice to be given when person proposed for election
117. The Company shall keep at its head office a register containing the names and addresses, occupations and nationalities of its Directors and Secretaries.
- Register of Directors and Secretaries
118. The Company may by Ordinary Resolution remove any Director (including a managing or other executive director, but without prejudice to any claim for damages that may thereby arise) before the expiration of his period of office notwithstanding anything in these bye-laws or in any agreement between the Company and such Director and may by Ordinary Resolution elect another person in his stead. Any person so elected shall hold office for such time only as the Director in whose place he is elected would have held the same if he had not been removed.
- Power to remove Director by Ordinary Resolution

### **Proceedings of Directors**

119. (A) The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings
- Meeting of Directors,

as they think fit and may determine the quorum necessary for the transaction of business. Unless otherwise determined two Directors shall be a quorum. For the purposes of this bye-law an alternate Director shall be counted in a quorum but, notwithstanding that an alternate Director is also a Director or is an alternate for more than one Director, he shall for quorum purposes count as only one Director. A Director or any member of a committee of the Directors may participate in a meeting of the board or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.

- (B) Where the Company does not have a quorum of Directors ordinarily resident in Bermuda, the Company shall in accordance with the Statutes appoint and maintain a resident representative (being a person ordinarily resident in Bermuda) and the resident representative shall maintain an office in Bermuda and comply with the provisions of the Statutes.

The Company shall provide the resident representative with such information as the resident representative may require in order to be able to comply with the provisions of the Statutes.

120. A Director may, and on request of a Director the secretary shall, at any time summon a meeting of the board. Notice thereof shall be given to each Director either in writing or by telephone or by telex or telegram at the address from time to time notified to the Company by such Director or in such other manner as the board may from time to time determine.
121. Questions arising at any meeting of the board shall be decided by a majority of votes, and in case of an equality of votes the chairman shall have a second or casting vote.
122. The Directors may elect a chairman of their meetings and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
123. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these bye-laws for the time being vested in or exercisable by the Directors generally.
124. The Directors may delegate any of their powers to committees consisting of such member or members of their body as the Directors think fit, and they may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Directors.

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| 125. | All acts done by any such committee in conformity with such regulations and in fulfilment of the purposes for which it is appointed, but not otherwise, shall have the like force and effect as if done by the Directors, and the Directors shall have power, with the consent of the Company in general meeting, to remunerate the members of any special committee, and charge such remuneration to the current expenses of the Company.  | Acts of committee to be of same effect as act of Directors         |
| 126. | The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors.   | Proceedings of committee   |
| 127. | All acts bona fide done by any meeting of the Directors or by a committee of Directors or by any person acting as a Director shall, notwithstanding that it shall be afterwards discovered that there was some defect in the appointment of such Director or persons acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.   | Acts of Directors or committee to be valid notwithstanding defects |
| 128. | The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these bye-laws as the necessary quorum of Directors, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company but for no other purpose.   | Directors' powers when vacancies exist                             |
| 129. | A resolution in writing signed by each of the Directors for the time being in the relevant territories (or their respective alternates appointed pursuant to bye-law 96) shall, provided such directors (or their respective alternates) would constitute a quorum at any meeting of the board convened to consider the resolution and provided further that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of meetings of the Directors in the same manner as notices of meetings are required to be given by the bye-laws, be as valid and effectual as if it has been passed at a meeting of the Directors duly convened and held and may consist of several documents in like form each signed by one or more of the Directors or alternate Directors. | Directors' resolutions   |

### Secretary

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| 130. | The secretary shall be appointed by the board for such term, at such remuneration and upon such conditions as it may think fit, and any secretary so appointed may be removed by the board. Anything by the Companies Act or these bye-laws required or authorised to be done by or to the secretary, if the office is vacant or there is for any other reason no secretary capable of acting, may be done by or to any assistant or deputy secretary, or if there is no assistant or deputy secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the board. If the secretary appointed is a corporation or other body, it may act and sign by the hand of any one or more of its directors or officers duly authorised. | Appointment of secretary |
| 131. | The secretary shall ordinarily reside in the territory where the head office is situate.   | Residence                |

132. A provision of the Companies Act or of these bye-laws requiring or authorising a thing to be done by or to a Director and the secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the secretary. Same person not to act in two capacities at once

### **General management and use of the seal**

133. (A) The Company may have one or more seals as the Directors may determine. The board shall provide for the safe custody of the seals which shall only be used by the authority of the board or of a committee of the board authorised by the board in that behalf, and every instrument to which the seal shall be affixed shall be signed by a Director and shall be countersigned by the secretary or by a second Director or by some other person appointed by the board for the purpose, provided that the board may either generally or in any particular case or cases resolve (subject to such restrictions as to the manner in which the seal may be affixed as the board may determine) that such signatures or any of them may be affixed to certificates for shares or debentures or representing any other form of security by some mechanical means other than autographic to be specified in such resolution or that such certificates need not be signed by any person. Every instrument executed in manner provided by this bye-law shall be deemed to be sealed and executed with the authority of the Directors previously given. Wherever in these bye-laws reference is made to the seal, the reference shall, when and so far as may be applicable, be deemed to include any such other seal as aforesaid. Custody of seal
- (B) The Company may have a securities seal for use for sealing certificates for shares or other securities issued by the Company. No signature of any Director, officer or other person and no mechanical reproduction thereof shall be required on any such certificate or other document and any such certificate or other document to which the securities seal is affixed shall be valid and deemed to have been sealed and executed with the authority of the board notwithstanding the absence of any such signature or mechanical reproduction as aforesaid. Securities seal
134. 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, indorsed or otherwise executed, as the case may be, in such manner as the board shall from time to time by resolution determine. The Company's banking accounts shall be kept with such banker or bankers as the board shall from time to time determine. Cheques and banking arrangements
135. (A) The board may from time to time and at any time, by power of attorney under the seal, appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the board under these bye-laws) and for such period and subject to such conditions as it may think fit, and any such power of Power to appoint attorney

attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers authorities and discretions vested in him.

- (B) The Company may, by writing under its seal, empower any person, either generally or in respect of any specified matter, as its attorney to execute deeds and instruments on its behalf and to enter into contracts and sign the same on its behalf and every deed signed by such attorney on behalf of the Company and under his seal shall bind the Company and have the same effect as if it were under the seal of the Company.
136. The board may establish any committees, local boards or agencies for managing any of the affairs of the Company, either in the relevant territories or elsewhere, and may appoint any persons to be members of such committees, local boards or agencies and may fix their remuneration, and may delegate to any committee, local board or agent any of the powers, authorities and discretions vested in the board (other than its powers to make calls and forfeit shares), with power to sub-delegate, and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be upon such terms and subject to such conditions as the board may think fit, and the board may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
137. The board may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company, or is allied or associated with the Company or with any such subsidiary company, or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid, and holding or who have held any salaried employment or office in the Company or such other company, and the wives, widows, families and dependants of any such persons. The board may also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid or of any such persons as aforesaid, and may make payments for or towards the insurance of any such persons as aforesaid, and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object. The board may do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid. Any Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

Execution of  
deeds by  
attorney

Local boards

Power to  
establish  
pension funds

## Capitalisation of reserves

138. (A) The Company in general meeting may upon the recommendation of the Directors 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 or otherwise available for distribution (and not required for the payment or provision of the dividend on any shares with a preferential right to dividend) and accordingly that such sums be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid or partly in the one way and partly in the other, and the Directors shall give effect to such resolution, provided that a share premium account and any reserve or fund representing unrealised profits may, for the purposes of this bye-law, only be applied in paying up unissued shares to be issued to members of the Company credited as fully paid up shares. In carrying sums to reserve and in applying the same the Board shall comply with the provisions of the Act.
- Power to capitalise
- (B) Wherever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid up shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise (including provision for the benefit of fractional entitlements to accrue to the Company rather than to the members concerned) as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or, as the case may require, for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.
- Effect of resolution to capitalise
- (C) The Directors may, in relation to any capitalisation sanctioned under this bye-law in their absolute discretion, by notice specify that members entitled to an allotment and distribution credited as fully paid up of unissued shares or debentures in the Company pursuant to such capitalisation, may elect that all or a specified number (of such shares) or value (or such debentures, being an integral multiple of the face amount of one of the relevant

debentures) thereof shall be allotted or distributed to such person or persons as that member may nominate by notice in writing to the Company, such notice to be received not later than the day for which the general meeting of the Company to sanction the capitalisation is convened.

### **Dividends and reserves**

139. The Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the board. Power to declare dividends
140. (A) The board may from time to time pay to the members such interim dividends as appear to the board to be justified by the profits of the Company and, in particular (but without prejudice to the generality of the foregoing), if at any time the share capital of the Company is divided into different classes, the board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the board acts bona fide the board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights. Board's power to pay interim dividends
- (B) The board may also pay half-yearly or at other suitable intervals to be settled by it any dividend which may be payable at a fixed rate if the board is of the opinion that the profits justify the payment.
141. No dividend shall be payable except out of the profits of the Company available for distribution (such profits being ascertained in accordance with the Act) or contributed surplus. No dividend shall carry interest. Dividends not to be paid out of capital
142. (A) Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Directors may further resolve:- Scrip dividends
- either
- (i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment. In such case, the following provisions shall apply:-
- (a) the basis of any such allotment shall be determined by the Directors;
- (b) the Directors, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the shareholders of the right of election accorded to them and shall send with

such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;

- (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded;
- (d) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised ("the non-elected shares") and in satisfaction thereof shares shall be allotted credited as fully paid to the shareholders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise and apply out off any part of the undivided profits of the Company or any part of any of the Company's reserve accounts (including any special account, share premium account and reserve fund (if there be any such reserve)) as the Directors may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis;

or

- (ii) that shareholders entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid in lieu of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:-
  - (a) the basis of any such allotment shall be determined by the Directors;
  - (b) the Directors, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the shareholders of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
  - (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend

in respect of which the right of election has been accorded;

- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect whereof the share election has been duly exercised ("the elected shares") and in lieu thereof shares shall be allotted credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise and apply out of any part of the undivided profits of the Company's reserve accounts (including any special account, share premium account and reserves) as the Directors may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis.
- (B) The shares allotted pursuant to the provisions of paragraph (A) of this bye-law shall rank *pari passu* in all respects with the shares then in issue save only as regards participation:-
- (i) in the relevant dividend (or the right to receive or to elect to receive an allotment of shares in lieu thereof as aforesaid); or
  - (ii) in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend.

unless, contemporaneously with the announcement by the Directors of their proposal to apply the provisions of sub-paragraph (i) or (ii) of paragraph (A) of this bye-law in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Directors shall specify that the shares to be allotted pursuant to the provisions of paragraph (A) of this bye-law shall rank for participation in such distribution, bonus or rights.

- (C) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this bye-law with full power to the Directors to make such provisions as they think fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter into on behalf of all members interested, an agreement with the Company providing for such

capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.

- (D) The Company may upon the recommendation of the Directors by Special Resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (A) of this bye-law a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.
- (E) The Directors may on any occasion determine that rights of election and the allotment of shares under paragraph (A) of this bye-law shall not be made available or made to any shareholders with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of such rights of election or the allotment of shares would or might be unlawful, and in such event the provisions aforesaid shall be read and construed subject to such determination.
143. The board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the board may from time to time think fit, and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute by way of dividend. Reserves
144. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend and subject to the terms of issue of any shares providing to the contrary, all dividends shall be declared and paid according to the amounts paid or credited as paid up on the shares in respect whereof the dividend is paid, but no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purposes of this bye-law as paid up on the share. Dividends to be paid in proportion to paid up capital
145. (A) The Directors may retain any dividends or other moneys payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. Retention of dividends etc.
- (B) The Directors may deduct from any dividend or bonus payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise. Deduction of debts

146. Any general meeting sanctioning a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the member, be set off against the call. Dividend and call together
147. Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared, the Directors may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of the Company or any other company, or in any one or more of such ways, and where any difficulty, arises in regard to the distribution the Directors may settle the same as they think expedient, and in particular may issue fractional certificates, disregard fractional entitlements or round the same up or down, and may fix, the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend and such appointment shall be effective. Where requisite, a contract shall be filed in accordance with the provisions of the Companies Act and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective. Dividend in specie
148. A transfer of shares shall not pass the right to any dividend or bonus declared thereon before the registration of the transfer. Effect of transfer
149. If two or more person are registered as joint holders of any shares, any one of such persons may give effectual receipts for any dividends, interim dividends or bonuses and other moneys payable in respect of such shares. Receipt for dividends by joint holders
150. Unless otherwise directed by the Directors, any dividend or bonus may be paid by cheque or warrant sent through the post to the registered address of the member entitled, or, in case of joint holders, to the registered address of that one whose name stands first in the register in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent, and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Payment by post
151. All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the Directors and shall revert to the Company. Unclaimed dividend

## Annual returns

152. The Directors shall make the requisite annual returns in accordance with the requirements of the relevant territories, if any. Annual returns

## Accounts

153. The Directors shall cause proper books of accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Companies Act or necessary to give a true and fair view of the Company's affairs and to explain its transactions. Accounts to be kept
154. The books of account shall be kept at the Office or, subject to the Act, at such other place or places as the Directors think fit and shall always be open to the inspection of the Directors. Where accounts to be kept
155. The Directors shall from time to time determine whether and to what extent, at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of the members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company, except as conferred by the Companies Act or authorised by the Directors or by the Company in general meeting. Inspection by members
156. (A) Subject to Section 88 of the Act the Directors shall lay before the Company at each annual general meeting the audited profit and loss accounts, balance sheets, group accounts (if any) and reports of the Company in respect of the preceding financial year or offer period for which audited accounts have been prepared. Annual profit and loss account and balance sheet
- (B) Every balance sheet of the Company shall be signed pursuant to the provisions of the Companies Act, and a copy of every balance sheet (including every document required by law to be annexed thereto) and profit and loss account which is to be laid before the Company in general meeting, together with a copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one days before the date of the meeting, be sent to every member of, and every holder of debentures of, the Company and every person registered under bye-law 45 and every other person entitled to receive notices of general meetings of the Company, provided that this bye-law shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures. Annual report of Directors and balance sheet to be sent to members

## Audit

157. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Statutes. Auditors
158. Subject as otherwise provided by the Statutes the remuneration of the auditors shall be fixed by the Company in general meeting, provided Remuneration of auditors

always that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Directors.

159. Every statement of accounts audited by the Company's auditors (which, subject to Section 88 of the Act, shall be conducted at least once in every year) and presented by the Directors at a general meeting shall after approval at such meeting be conclusive except as regards any error discovered therein within three months of the approval thereof. Whenever any such error is discovered within that period, it shall forthwith be corrected, and the statement of account amended in respect of the error shall be conclusive.
- When accounts to be deemed finally settled

### Notices

160. Any notice or document may be served by the Company on any member either personally or by sending it through the post in prepaid letter addressed to such member at his registered address as appearing in the register or by publishing the same as a paid advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper published daily and circulating generally in Hong Kong and in the list of newspapers specified for the purpose by the stock exchange in Hong Kong which, in the opinion of the Directors, is the principal stock exchange in Hong Kong on which the securities of the Company are listed or traded. In case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.
- Service of notices
161. Where the registered address of a member is outside the relevant territories, notice, if given through the post, shall be sent by prepaid air mail letter. Any member whose registered address is outside the relevant territories may notify the Company in writing of an address in the relevant territories which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address shall be deemed to have received any notice which shall have been displayed at the registered office of the Company and shall have remained there for the space of twenty-four hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed.
- Members out of relevant territories
162. Any notice or other document sent by post shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is put into a post office situated within the relevant territories and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice was properly prepaid, addressed and put into such post office and a certificate in writing signed by the secretary or other person appointed by the board that the envelope or wrapper containing the notice was so addressed and put into such post office shall be conclusive evidence thereof.
- When notice by post deemed to be served
163. A notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a member by sending it through the post in a prepaid letter addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, within the relevant territories supplied for the purpose by the person claiming
- Service of notice to persons entitled on death, mental disorder or bankruptcy of a member

to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.

164. Any person who by operation of law, is transferred or by other means whatsoever becomes entitled to any share shall be bound by every notice in respect of such share which prior to his name and address being entered on the register shall have been duly given to the person from whom he derives his title to such share. Transferee to be bound by prior notices
165. Any notice or document delivered or sent by post or left at the registered address of any member in pursuance of the bye-laws, shall notwithstanding that such member be then deceased and whether or not the Company has notice of his death be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of the bye-laws be deemed a sufficient service of such notice or document on his personal representatives and all persons (if any) jointly interested with him in any such shares. Notice valid though member deceased
166. The signature to any notice to be given by the Company may be written or printed. How notice to be signed

### **Information**

167. No member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the members of the Company to communicate to the public. Member and entitled to information

### **Winding up**

168. (A) The Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up. Division of assets in liquidation
- (B) A resolution that the Company be wound up by the court or wound up voluntarily shall be a Special Resolution.
- (C) If the Company shall be wound up (whether assets in the liquidation is voluntary, under liquidation supervision or by the court) the liquidator may, with the authority of a Special Resolution, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members The liquidator may, with the like authority, vest any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like

authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributor shall be compelled to accept any shares in respect of which there is a liability.

169. In the event of a winding-up of the Company, every member who is not for the time being in any of the relevant territories shall be bound, within fourteen days after the passing of an effective resolution to wind up the Company voluntarily, or the making of an order for the winding-up of the Company, to serve notice in writing on the Company appointing some person resident in any of the relevant territories and stating that person's full name, address and occupation upon whom all summonses, notices, process, orders and judgments in relation to or under the winding-up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee, whether appointed by the member or the liquidator, shall be deemed to be good personal service on such member for all purposes, and, where the liquidator makes any such appointment, he shall with all convenient speed give notice thereof to such member by advertisement in such English language daily newspapers circulating in each of the relevant territories as he shall deem appropriate or by a registered letter sent through the post and addressed to such member at his address as mentioned in the register, and such notice shall be deemed to be service on the day following that on which the advertisement appears or the letter is posted.
- Service of  
process

### **Indemnity**

170. Save and except so far as the provisions of this bye-law shall be avoided by any provisions of the Statutes:-
- Indemnity
- (A) every Director or other officer of the Company and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company and everyone of them and everyone of their heirs, executors and administrators shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director or other officer shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto, provided that this bye-law shall only have effect in so far as its provisions are not avoided by the Companies Act;
- (B) if any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.