Commencement: 18 May 1993

INTERNATIONAL COMPANIES (MODEL CONSTITUTION)

Order 13 of 1993

1. Model Constitution of a company limited by shares
The Constitution of every company limited by shares shall be in the form prescribed in the Schedule to this Order.

SCHEDULE

MODEL CONSTITUTION OF A COMPANY LIMITED BY SHARES

Name

1. The name of the Company is _____

Registered Office

2. The first registered office of the Company is located at _____

Registered Agent

3. The first registered agent of the Company is _____ of _____

Objects and Purposes

4. Save as provided in paragraph 5 herein, the objects and purposes of the Company and the types of business it is authorised to carry on are unrestricted.

Restrictions

5. (1) The Company shall not engage in any activity that is prohibited by or contrary to any enactment or rule of law for the time being in force in Vanuatu.

(2) The Company, being an international company, shall not—

(a) carry on business in Vanuatu;

(b) acquire or own an interest in immovable property situate in Vanuatu other than a lease referred to in subparagraph (3)(b);

(c) at any time have less than one member;

(d) make any invitation to the public to:

(i) subscribe for any shares or debentures in the Company; or

(ii) deposit money with or lend money to the Company.

(3) For the purposes of subparagraph (2)(a) the Company shall not be treated as carrying on business in Vanuatu by reason only that it:

(a) carries on business with another company incorporated under the Act or in furtherance of the business of the Company carried on outside Vanuatu;

(b) leases premises from which to carry on its business as permitted by the Act;

(c) makes or maintains deposits with a person licensed to carry on banking business in Vanuatu;

(d) obtains professional services from its registered agent, counsel, attorneys, accountants, bookkeepers, trust companies, management companies, investment advisers, insurance brokers or agents or other similar persons carrying on business within Vanuatu;

(e) prepares or maintains its books or records within Vanuatu;

(f) holds meetings within Vanuatu of its directors or members;

(g) holds shares, debt obligations or other securities in a company incorporated under the Act;

(h) issues shares, debt obligations or other securities to any person resident in Vanuatu or any company incorporated under the Act or under the Companies Act.

Type of Company

6. The Company is limited by shares.

First Directors

7. The first directors of the Company will be:

(1) _____ of _____
(2) _____ of _____

Amendment of Constitution

8. The Company may, by a resolution of members, amend this Constitution.

Change of Status

9. (1) The Company may change its status from being limited by shares to being limited by guarantee or being limited both by shares and guarantee in accordance with this paragraph and such change may be effected notwithstanding that at some earlier time the Company has been any other (or the same) type of company provided that—

(a) the proposed change is authorised by a resolution of the members of the Company and is given effect to within six months from the date of such resolution; and

(b) the directors make a statutory declaration in accordance with the Act which is lodged with the Registrar.

(2) Where any member does not vote in favour of the members' special resolution to change the status of the Company and the change of status may have the effect of increasing the liability of that member then, except in so far as that change was made in accordance with the rights of that member as are specified in this Constitution at the time that person became a member, that member may exercise the rights of a dissenter pursuant to Section 91 of the Act.

SHARE CAPITAL AND MEMBERS

Rights Attaching to Shares

10. Unless otherwise specified upon its issue, each share has attached to it –

(a) the right to one vote at any meeting of the Company (other than a meeting of a class of members of which the holder of the share is not a member);

(b) the right to an equal share in dividends authorised by the directors in respect of its class or series;

(c) the right to an equal share in the distribution of the capital and surplus assets of the Company.

Types of Shares

11. (1) The Company may issue on such terms and in such manner as the directors before or at the time of the issue of the shares may, by resolution, determine –

(a) registered or bearer shares;

(b) shares having special, conditional, enhanced, limited, or no voting rights;

(c) shares with or without par value;

(d) numbered or unnumbered shares;

(e) convertible common, ordinary, preferential or redeemable shares;

(f) shares that entitle participation only in certain assets;

(g) shares, the holders of which are entitled to forfeit them;

(h) shares in any one or more currencies;

(i) options, warrants or rights, or instruments of a similar nature, to acquire any securities of the Company;

(j) securities that, at the option of the holder thereof or of the Company or upon the happening of a specified event, are convertible into, or exchangeable for, other securities in the Company or any property then owned or to be owned by the Company;

(k) shares that carry the right to suspend the voting rights of other shares;

or any combination thereof.

(2) Unless otherwise specified by the directors upon its issue, a registered share shall be transferable.

Allotment and Issue of Shares

12. (1) Subject to the provisions of this Constitution, the unissued and treasury shares of the company shall be at the disposal of the directors who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration (subject to section 21 of the Act) and upon such terms and conditions as the directors may by resolution determine.

(2) Unless the directors otherwise determine before or at the time of its issue, the joint holders of a share shall be jointly and severally liable for the consideration due in respect thereof.

Call on shares

13. (1) Subject to the terms of issue:

(a) the directors may, by resolution, make calls upon the members in respect of any monies unpaid on their shares and each member shall, subject to receiving at least 14 days notice specifying when and where payment is to be made, pay to the company as required by the notice the amount called on his shares;

(b) a call may be required to be paid by instalments and may, before receipt by the company of any sum due thereunder, be revoked in whole or in part and payment of a call may be postponed in whole or in part;

(c) the directors may determine when making the call that if the call remains unpaid after it has become due and payable, the person from whom it is due shall pay interest on the amount unpaid from the date it fell due to the date of payment and provided that the liability to pay interest is contained in the notice of the call interest shall be paid in such circumstances;

(d) the directors may waive the payment of interest due in whole or in part.

(2) A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.

(3) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

(4) An amount payable in respect of the issue of a share or on any fixed date, including an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of this Constitution shall apply as if that amount had become due and payable by virtue of a call.

(5) The directors may issue shares to holders subject to different amounts and different times of payment of calls thereon.

Forfeiture of Shares by Company

14. (1) If a call remains unpaid after it has become due and payable the directors may give the person from whom it is due not less than 14 days notice requiring payment of the amount unpaid together with any interest that may have accrued thereon.

(2) The notice shall name the place where the call is to be paid and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

(3) If the notice is not complied with the directors may, by resolution, before the payment required by the notice has been made, forfeit the share. The forfeiture shall include all dividends or other monies payable in respect of the share which have not been paid before the forfeiture.

(4) A forfeited share 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 directors may, by resolution, cancel the forfeiture on such terms as they think fit.

(5) A person whose shares have been forfeited shall cease to be a member in respect of those shares, but shall, notwithstanding, remain liable for the call, instalment of call or consideration due at the date of forfeiture but his liability shall cease if and when the company shall have received payment in full (or monies of an equivalent value to the consideration outstanding) in respect of the shares.

(6) Where for the purposes of its disposal a forfeited share is to be transferred to any person, the directors may authorise some person to execute an instrument of transfer to that person.

(7) A statutory declaration by a director that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share and the declaration shall, subject to the execution of an instrument of transfer (if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

Forfeiture of Shares by Holder

15. When a holder of a share, being so entitled, forfeits that share, his liability in respect of the share shall be limited to the amount of any calls of amounts, if any, unpaid on those shares where the call is made within a period of three months after the date of forfeiture provided that a forfeiture by a holder, or where there have been previous forfeitures by holders, the last such forfeiture shall not be effective if the forfeiture by itself or in combination with any other forfeiture results in the reduction of the number of members of the Company to less than one.

Lien

16. (1) The directors may issue a registered share (not being a fully paid share) subject to the company having a lien on the share for all monies (whether presently payable or not) payable at a fixed time or called in respect of that share. The company's lien on a share shall extend to any amount payable in respect of it.

(2) The company may sell in such manner as the directors may determine any shares on which the company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 days after written notice has been given to the registered holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.

(3) To give effect to any such sale the directors may authorise some person to execute a transfer of the share sold to or in accordance with the directions of the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale or the application of the proceeds thereof.

(4) The net proceeds of sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (subject to a like lien for consideration not presently due as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

Variation of Rights

17. (1) 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, whether or not the company is being wound up, be varied with the consent in writing of the holders of not less than 75 per cent of the issued shares of that class and of the holders of not less than 75 per cent of the issued shares of any other class of shares which may be affected by such variation.

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

(3) Any variation of the rights attached to any shares pursuant to this paragraph shall be subject to section 19 of the Act.

Alterations of Capital

18. Subject, where appropriate, to the provisions in the Act with regard to distributions, the Company may by resolution of its members:

(a) purchase, redeem or otherwise acquire and hold its own shares;

(b) increase or reduce the number of its shares;

(c) exchange registered shares for shares issued to bearer and shares issued to bearer for shares which are registered or are to be registered;

(d) change the currency in which any of its shares are denominated;

(e) change par value shares to no par value and change no par value shares to par value;

(f) increase or decrease the par value of any of its shares;

(g) divide any shares into a larger number of shares of the same class or series or combine any of its shares into a smaller number of shares of the same class or series, provided where shares with par value are divided or combined the aggregate par value of the new shares shall be equal to the aggregate par value of the old shares;

(h) determine the number of classes and series of shares and the number of shares of each such class and series, the par value of shares with par value and the value at which shares with no par value are to be issued; and

(i) determine the designations, powers, preferences, rights, qualifications, limitations or restrictions of each class and series of shares;

or any combination or variation thereof.

Fractional Shares

19. Any fractional share issued by the Company shall have the corresponding fractional liabilities, limitations, preferences, privileges, qualifications, restrictions, rights and other attributes of a whole share of the same class or series.

Share Certificates

20. (1) Every person whose name is entered as a member in the register of members and every person who subscribes for shares issued to bearer shall, without payment, be entitled to a certificate signed by at least two directors or, if the company only has one director, by that director, or under the seal of the Company with or without the signature of any director of the Company specifying the share or shares held and, if appropriate, the par value thereof.

(2) In respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

(3) Each certificate issued in respect of a bearer share shall carry an identifying number.

(4) If a share certificate is defaced, lost or destroyed, it may be renewed on such terms, if any, as to evidence and indemnity and the payment of out-of-pocket expenses of investigating the loss, defacement or destruction of the share certificates as the directors think fit.

(5) Any member receiving a certificate shall hold the company and its director harmless from any loss or liability which it or they may incur by reason of wrongful or fraudulent use or representation made by any person by virtue of the possession of such certificate.

Non-Recognition of Trusts

21. Except as required by law, no person shall be recognized 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 by the registered holder.

Transfer of Registered Shares

22. (1) Registered shares which are transferable may be transferred by a written instrument of transfer signed by the transferor and containing the name and address of the transferee.

(2) The Company shall, on the application of the transferor or on receipt from the transferee of a transfer as aforesaid of a registered share, enter in its Register of Members the name and address of the transferee of the share.

(3) In the absence of a written instrument of transfer as aforesaid, the directors may accept such evidence of a transfer of shares as they consider appropriate.

(4) The Company shall not be required to treat a transferee of a registered share as a member until the transferee's name has been entered in the Register of Members.

(5) The directors may, in their absolute discretion and without assigning any reason therefore, decline to register any transfer of a registered share whether or not it is fully paid.

(6) If the directors refuse to register a share transfer they shall, within 2 months after the date on which the transfer was lodged with the company, send to the transferee notice of their refusal.

Transfer of Bearer Shares and Share Warrants

23. A share or a share warrant issued to bearer shall be transferred by delivery of the certificate relating thereto.

Transmission of Shares

24. The personal representative, guardian or trustee as the case may be of a deceased, incompetent or bankrupt sole holder of a registered share shall be the only person recognised by the Company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivor or survivors, and the personal representative, guardian or trustee, as the case may be, of the deceased, incompetent or bankrupt holder, shall be the only persons recognised by the Company as having any title to the share but they shall not be entitled to exercise any rights as a member until they have proceeded as set forth below:

(1) Any person becoming entitled by operation of law or otherwise to a share or shares in consequence of the death, incompetence or bankruptcy of any member may be registered as a member upon such evidence being produced as may reasonably be required by the directors. An application by any such person to be registered as a member for all purposes shall be deemed to be a transfer of shares of the deceased, incompetent or bankrupt member and the directors shall treat it as such; or

(2) Any person who has become entitled to a share or shares in consequence of the

death, incompetence or bankruptcy of any member may, instead of being registered himself, request in writing that some person to be named by him be registered as a transferee of such share or shares and such request shall likewise be treated as if it were a transfer.

Distributions and the Solvency Test

25. (1) Subject to any special or limited rights attaching to any shares, the directors may, by resolution, authorise a distribution by the company at such time and of such amount and to such members as they think fit, provided that they are satisfied that the Company will, after the distribution, satisfy the solvency test.

(2) (a) The Act provides that the Company will satisfy the solvency test if—

(i) it is able to pay its debts as they become due in the normal course of business; and

(ii) the realisable value of the Company's assets is greater than the aggregate of the present value of its liabilities, whether contingent or otherwise.

(b) In determining whether the Company satisfies the solvency test regard may be had either to financial statements prepared on the basis of accounting practices and principles that are reasonable in the circumstances, or a fair valuation or other method that is reasonable in the circumstances.

(c) "Realisable value", in relation to any asset, means the price that would be paid for that asset by a purchaser in an "at arms length" transaction.

(3) In applying the solvency test for the purposes of the Act and this Constitution, "debts" shall include fixed preferential returns on shares ranking ahead of those in respect of which a distribution is made, and "liabilities" shall include the amount that would be required, if the Company was to be wound up immediately after the distribution, to satisfy the fixed entitlements of all members or other persons at that time, except to the extent where that fixed preferential return or entitlement is by the terms upon which those shares were issued, subject to the power of the directors to make the distribution.

Dividends

26. (1) Subject to the provisions of the Act with regard to the solvency test, the Company may, by a resolution of directors, declare and pay dividends in money, shares or other property in accordance with the respective rights of the members. Where a dividend is to be satisfied wholly or partly by the distribution of assets other than money, and where any difficulty arises with regard to the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the basis of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.

(2) The directors may, before declaring any dividend, set aside out of the distributable monies of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies or for any other purpose to which the monies may be properly applied and pending such application may, at the like discretion, the monies may either be employed in the business of the Company or be invested in such investments as the directors may from time to time think fit.

(3) The directors may pay interim dividends if it appears to them that they are justified having regard to the financial state of the company.

(4) Except as otherwise provided by the rights attached to a share upon its issue and except as provided in subparagraph (5), all shares shall rank equally for dividend.

(5) The directors may, by resolution, reduce the dividend payable in respect of registered shares which are not fully paid by a proportion equal to that proportion of the total consideration payable for the share which was unpaid at the end of the period in respect of which the dividend was paid.

(6) Any person entitled to receive a dividend of shares may elect not to receive such shares.

(7) Notice of any dividend that may be declared shall be given to each member in the same manner as notice of a meeting of members, as provided in paragraph 48, and all dividends unclaimed for three years after having been declared may be forfeited by the directors for the benefit of the Company.

(8) If several persons are registered as joint holders of any share, any of them may give effectual receipt for any dividend or other monies payable on or in respect of the share.

(9) No dividend shall bear interest against the Company.

Acquisition of Own Shares

27. (1) Subject to the provisions of the Act with regard to the solvency test, the Company may, by a resolution of directors, purchase, redeem or otherwise acquire and hold its own shares provided that such transaction does not result in the Company becoming the sole member.

(2) The Company may provide financial assistance, whether directly or indirectly and whether by way of loan, guarantee, or otherwise, for the purpose of or in connection with the purchase or subscription of its shares, the shares of any subsidiary or of its holding company (if any).

(3) There shall be no requirement to meet the solvency test where shares are purchased, redeemed or otherwise acquired:-

(a) pursuant to a right of a member to have his shares redeemed or to have his shares exchanged for money or other property of the Company;

(b) in exchange for newly issued shares in the Company;

(c) by virtue of the provisions of Section 89 of the Act; or

(d) pursuant to an order of the court.

(4) Any shares that the Company purchases, redeems or otherwise acquires may be cancelled or held as Treasury shares.

Shares Disabled in Respect of Voting and Dividends

28. (1) Where shares in the company are held by the Company as treasury shares, those shares are not entitled to vote or to have dividends paid thereon.

(2) Where shares in the Company are held by another company of which the Company holds, directly or indirectly, shares having more than 50 percent of the votes in the election of directors of that other company, the shares of the Company held by that other company are not entitled to vote or to have dividends paid thereon and the shares shall not be treated as outstanding for any purpose under the Act or except for the purpose of determining the capital of the Company.

Increase or Reduction of Capital

29. (1) The capital of the Company may, by resolution of directors, be—

(a) increased; or

(b) subject to the provisions of the Act with regard to the solvency test, reduced by returning to members any amount received by the Company upon the issue of any of its shares or cancelling any capital that is lost or not represented by assets having a realisable value.

(2) The Company may, with the consent of the members affected, convert any amount of its capital to debt obligations owed by it to the holder of those shares (whether by repayment or by direct conversion to an instrument).

REGISTERED OFFICE AND REGISTERED AGENT

Registered Office and Agent

30. (1) As required by the Act, every company shall have a registered office and registered agent in Vanuatu.

(2) The directors may, by resolution, change the address of the registered office or change the registered agent of the Company.

DIRECTORS AND OFFICERS

Appointment, Term and Removal of Directors

31. (1) The first directors shall, and any subsequent directors may, be appointed by the members for such term as they may determine.

(2) A director shall cease to hold office, on the expiry of his term or on his death, resignation or upon the vacation of his office pursuant to subparagraph (3) herein.

(3) The office of director shall be vacated if—

(a) he is removed from office by a resolution of the members or of the directors of the Company;

(b) in the case of a corporate director, it enters liquidation or it ceases to be a body corporate;

(c) in the case of an individual, he becomes bankrupt or makes any arrangement or composition with his creditors generally;

(d) he becomes of unsound mind, or of such infirm health as to be incapable of managing his affairs; or

(e) he resigns his office by giving written notice to the Company, in which case the resignation shall have effect from the date the notice is received by the Company or from such later date as may be specified in the notice.

(4) If a director shall cease to hold office before the expiry of his term of office, the remaining directors may, by resolution, appoint a new director in his place to complete his term.

(5) Until directors are appointed, the incorporators shall have the power to act as directors.

(6) A director shall not be required to hold shares in the Company but nevertheless shall

be entitled to attend and speak at any meeting of the members and at any separate meeting of the holders of any class of shares.

Number of Directors

32. The number of directors shall be not less than one nor more than seven.

Powers of Directors

33 (1) Subject to any directions given by resolution of the members of the company, the business of the Company shall be managed by the directors who may exercise all the powers of the company that are not reserved to the members by the Act or by this Constitution.

(2) No amendment of this Constitution and no direction given by resolution of the members shall invalidate any prior act of the directors which would have been valid had the amendment not been made or the direction not been given.

(3) The Board may entrust to and confer upon any director or officer any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit and either collaterally with, or to the exclusion of, its own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.

(4) The directors may from time to time and at any time appoint any company, firm, person or body of persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under this Constitution) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any attorney as the directors may think fit, and may also authorise any attorney to delegate all or any of the powers, authorities and discretions vested in him.

(5) The directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property or any part thereof, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

Emoluments and Expenses of Directors

34. (1) The emoluments of any director in respect of services to be rendered by him as a director shall be determined by a resolution of directors.

(2) The directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of directors or committees of directors or any meetings of members or of a class of members or of debenture holders, or otherwise in connection with the discharge of their duties.

(3) The Company may pay to a director who at the request of the Company holds any office (including a directorship) in or renders services to any company in which the Company may be interested, such remuneration (whether by way of salary, commission, participation in profits or otherwise) in respect of such office or services as shall be approved by resolution of the directors.

Committees of Directors

35. (1) The directors may, by resolution, designate one or more committees each consisting of one or more directors.

(2) Each committee shall have such powers and authority as are set forth in the resolution establishing it except that no committee shall have power or authority to appoint or remove directors.

(3) The directors may, by resolution, at any time revoke or amend the powers given to a committee pursuant to this paragraph.

(4) Subject to any conditions imposed by the directors, the proceedings of a committee with two or more members shall be governed by the provisions of this Constitution regulating the proceedings of directors so far as they are capable of applying.

Notice of Meetings of Directors

36. (1) Each director shall be given not less than 2 days notice of meetings of directors.

(2) A meeting of directors held otherwise than in accordance with sub-paragraph (1) shall be valid if the majority or directors entitled to vote at the meeting have waived the notice of the meeting and for this purpose the presence of a director at the meeting shall be deemed to constitute waiver on his part.

(3) The inadvertent failure to give notice of a meeting to a director, or the fact that a director has not received the notice, shall not invalidate the meeting.

Quorum for Meetings of Directors

37. (1) The quorum for a meeting of directors may be fixed by the directors, but where no quorum is so fixed a meeting shall be properly constituted for all purposes if at the commencement of the meeting two directors are present in person or by alternate, provided that if the Company has only one director at the time, that director shall constitute a quorum.

(2) A director shall be deemed to be present at a meeting if he participates by telephone or other real time electronic means of audio interactive communication and all directors participating in the meeting are able to hear each other and recognise each other's voice.

(3) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall be dissolved.

(4) A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

Proceedings of Directors

38. (1) The directors shall meet at such times and in such manner and places within or outside Vanuatu as they may determine to be necessary or desirable.

(2) Subject to the provisions of the Act and of this Constitution, the directors may regulate their proceedings as they think fit.

(3) The directors may elect one of their number to be the chairman of the board of directors and may at any time remove him from that office. The director elected as chairman shall, provided that he is willing to do so, preside at every meeting of directors at which he is present. If there is no director holding that office, or if the director holding the office is unwilling to preside or is not present within 5 minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.

(4) Questions arising at any meeting shall be decided by a majority of votes. In case of any equality of votes, the chairman shall have a second or casting vote.

(5) Any director may at any time summon a meeting of the directors.

(6) If the Company shall have only one director the provisions herein contained for meetings of the directors shall not apply but such sole director shall have full power to represent and act for the Company in all matters and in lieu of minutes of a meeting shall record in writing and sign a note or memorandum of all matters requiring a resolution of the directors. Such note or memorandum shall constitute sufficient evidence of such resolution for all purposes.

(7) All acts done by a meeting of the directors or of a committee of directors or by any person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any director, or that they or any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.

(8) Any director which is a body corporate may appoint any person its duly authorised representative for the purpose of representing it at Board Meetings and of transacting any of the business of the directors.

Resolutions of Directors

39. (1) A resolution, notice of which has been given to all directors entitled to receive notice of meetings of directors or of a committee of directors, which has been consented to in writing by an absolute majority of all directors or of all members of a committee of directors as the case may be, shall be as valid and effectual as if it had been passed at a meeting of the directors or a committee of directors duly convened and held.

(2) The resolution may consist of several documents in like form each signed by one or more directors.

(3) A resolution signed by an alternate director need not be signed by the director who appointed him.

Managing Director

40. (1) The directors may from time to time, by resolution, appoint one of their body to the office of Managing Director.

(2) Any such appointment shall be for such period and on such terms as the directors think fit. Subject to the terms of any agreement entered into in any particular case, the directors may, by resolution, revoke such appointment.

(3) Any director appointed as Managing Director or to any other executive office shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and party in another) as the directors may determine.

(4) The directors may entrust to or confer upon a Managing Director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Alternate Directors

41. (1) A director may by written instrument—

(a) appoint any person willing to act to be an alternate director; and

(b) remove from office an alternate director so appointed by him.

(2) An alternate appointed under sub-paragraph (1) shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointment is a member, to attend and vote at any such meeting at which the

director who appointed him is not personally present and generally to perform all the functions of a director in his absence.

(3) An alternate director shall be responsible as a director for all his acts or omissions when acting in the place of the director who appointed him and shall be deemed to be an officer of the company, but not an agent of the director who appointed him.

(4) If undue delay or difficulty would be occasioned by giving notice to a director of a resolution of which his approval is sought, his alternate (if any) shall be entitled to signify approval of the same on behalf of that director.

(5) The remuneration of an alternate shall be payable out of the remuneration payable to the Director appointing him and shall consist of such portion thereof as shall be agreed between the alternate and the director appointing him.

(6) The appointment of an alternate shall be cancelled and he shall cease to hold office if the director who appointed him ceases to be a director.

(7) Any appointment or removal of an alternate director shall be by notice to the Company signed by the director making or revoking the appointment or in any either manner approved by the directors.

Standard of Care

42. Every director, officer and agent of the Company in performing his functions shall act in good faith and in the best interests of the Company and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Directors' Appointments and Conflict of Interest

43. Subject to section 50 of the Act—

(1) A director may hold any other office or position of profit under the Company (except that of auditor) in conjunction with his office of director, and may act in a professional capacity to the Company on such terms as to remuneration and otherwise as the directors may, by resolution decide.

(2) A director may be or become a director or other officer of, or otherwise interested in any company promoted by the Company, or in which the Company may be interested, as a member or otherwise, and no such director shall be accountable for any remuneration or other benefits received by him as director or officer or from his interest in such other company. The directors may also exercise the voting powers conferred by the shares in any other company held or owned by the Company in such manner in all respects as they think fit, including the exercise thereof in favour of any resolutions appointing them, or any of their number, directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company. A director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or be about to become, a director or officer of such other company, and as such in any other manner is, or may be, interested in the exercise of such voting rights in manner aforesaid.

(3) No director shall be disqualified by his office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any director shall be in any way interested be voided, nor shall any director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement, by reason of such director holding that office or of the fiduciary relationship thereby established.

(4) The nature of a director's interest must be declared by him at the meeting of the directors at which the question of entering into the contracting or arrangement is first

taken into consideration, and if the director was not at the date of that meeting interested in the proposed contract or arrangement, or shall become interested in a contract or arrangement after it is made, he shall forthwith after becoming so interested advise the Company in writing of the fact and nature of his interest.

(5) A general notice to the Directors by a director that he is a member of a specified firm or company, and is to be regarded as interested in any contract or transaction which may, after the date of notice, be made with such firm or company shall (if such director shall give the same at a meeting of the directors, or shall take reasonable steps to secure that the same is brought up and read at the next meeting of directors after it is given) be a sufficient declaration of interest in relation to such contract or transaction with such firm or company.

(6) A director may be counted as one of a quorum for the purposes of a motion in respect of any contract or arrangement which he shall make with the Company, or in which he is so interested as aforesaid, and may vote upon such motion.

Officers and Agents

44. (1) The directors may, by resolution, appoint any person, including a person who is a director, to be an officer or agent of the Company. The secretary of the Company, if appointed, shall be an officer of the Company for the purposes of this paragraph.

(2) Any person may hold more than one office and no officer need be a director or member of the Company. The officers shall remain in office until removed by the directors whether or not a successor is appointed.

(3) Any officer which is a body corporate may appoint any person as its duly authorised representative for the purpose of representing it and of transacting any of the business of the officer.

(4) Any officer or agent shall be granted such powers and authority of the directors, including the power and authority to affix the seal of the Company, as are set forth in the resolution appointing him, except that no officer or agent may be given any power or authority with respect to matters requiring a resolution of directors under the Act or this Constitution.

(5) The directors may at any time, by resolution, remove an officer or agent appointed under this paragraph and may revoke or vary any power conferred on him.

Indemnification

45. (1) Subject to subparagraph (2), the Company shall indemnify against all liabilities and expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who acted honestly and in good faith in the best interests of the Company.

(2) In the case of criminal proceedings, the indemnities set out in subparagraph (1) shall only take effect where the person had no reasonable cause to believe that his conduct was unlawful, and where the person—

(a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director or an officer of the Company; or

(b) is or was, at the request of the Company, serving as a director or an officer of, or in any other capacity is or was acting for, another company or body corporate or a partnership, joint venture, trust or other enterprise.

LIABILITY OF MEMBERS

Personal Liability

46. (1) The liability of a member of the Company is limited to the amount owed from time to time by the member to the Company, including any amount unpaid on any share held by him.

(2) A member is not liable for any obligation of the Company by virtue only of his status as a member.

(3) Nothing in this clause shall affect a member's liability to the Company on any contract (including a contract for the issue of shares) or for any tort or breach of fiduciary duty or other actionable wrong committed by him.

(4) Save as may be specified by the Act or by contract, the members of the Company do not owe any duty, liability or obligation to the Company, any creditor of the Company or any other company related to the Company.

COMPANY ADMINISTRATION

Meetings of Members

47. (1) The directors may convene meetings of the members at such times and in such manner and places within or outside Vanuatu as the directors consider necessary or desirable.

(2) Upon the written request of members holding not less than 25 per cent of the votes of the outstanding voting shares in the Company, the directors shall convene a meeting of members for a date not later than 4 weeks after receipt of the written request.

Notice of Meetings of Members

48. (1) The directors shall give not less than 7 days notice of meetings of members to those persons whose names on the date the notice is given appear as members in the Register of Members and are entitled to vote at the meeting.

(2) Notwithstanding subparagraph (1), a meeting of members called at shorter notice shall be valid if members, holding not less than an absolute majority of—

(a) the total number of the shares of the members entitled to vote on all the matters to be considered at the meeting; or

(b) the votes of each class or series of shares where members are entitled to vote thereon as a class or series have waived notice of the meeting and for this purpose the presence of a member in person or by proxy at the meeting shall be deemed to constitute waiver on his part.

(3) The directors shall give sufficient notice of meetings of members to members holding shares issued to bearer to allow a reasonable opportunity for them to take action in order to secure or exercise the right or privilege, other than the right or privilege to vote, that is the subject of the notice.

(4) The notice shall specify the time, date and place of the meeting and the general nature of the business to be transacted at the meeting.

(5) The failure of a member to receive notice of a meeting or the inadvertent failure of the directors to give notice of a meeting to a member, shall not invalidate a meeting or any actions taken at such meeting.

(6) The directors may in the notice of a meeting fix any date being on or before the

meeting as the record date for determining those shares that are entitled to vote at the meeting and unless so fixed it shall be 7 days prior thereto.

Proceedings at Meetings of Members

49. (1) No business shall be transacted at any meeting unless a quorum is present.

(2) A meeting of members shall be quorate and properly constituted for all purposes if, at the commencement of the meeting, two members entitled to vote upon the business to be transacted are present in person or by proxy, provided that if the Company only has one member that member shall constitute a quorum.

(3) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall be dissolved.

(4) A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any meeting of the members and at any separate meeting of the holders of any class of shares in the company.

(5) At every meeting the chairman of the board of directors, if any, or in his absence some other director nominated by the directors shall preside as chairman of the meeting. If neither the chairman nor such other director (if any) is present within 15 minutes after the time appointed for holding the meeting and willing to act, the members present and entitled to vote shall choose one of their number to be the chairman. If the members are for any reason unable to choose a chairman the person representing the greatest number of voting shares present at the meeting shall preside as chairman.

(6) The chairman may, with the consent of the meeting, adjourn any meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(7) When a meeting is adjourned for 14 days or more, but not otherwise, at least 7 days notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted thereat.

(8) A resolution put to the vote of a meeting shall be decided on a show of hands by simple majority unless a poll is demanded either before or on the declaration of the result of the show of hands—

(a) by the chairman; or

(b) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting.

(9) Unless a poll be demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried or lost, and an entry made to that effect in the book containing the minutes of the proceedings of the Company shall be sufficient evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

(10) If a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

(11) In the case of an equality of votes at any meeting of members, whether on a show of hands or on a poll, the chairman, shall be entitled to a casting vote in addition to any other vote he may have.

(12) A member shall be deemed to be present at a meeting of members if he participates by telephone or other real time electronic means of audio interactive communication and all members participating in the meeting are able to hear each other and recognise each other's voice.

Resolution of Members

50. (1) A resolution, notice of which has been given to all members entitled to receive notice of meetings of members, which has been consented to in writing by an absolute majority of all members entitled to vote shall be as valid and effectual as if it had been passed at a meeting of the members duly convened and held.

(2) The resolution may consist of several documents in like form each signed by one or more members.

Voting by Members

51. (1) Subject to any rights or restrictions attached to any shares, all shares vote as one class and each whole share has one vote.

(2) Votes may be given personally or by proxy.

(3) The following provisions shall apply in respect of the joint ownership of shares—

(a) if 2 or more persons hold shares jointly each of them may be present in person or by proxy at a meeting of members and may each speak as a member;

(b) if only one of the joint holders is present in person or by proxy, he may vote on behalf of the other joint holders; and

(c) if 2 or more joint holders are present, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members in respect of the share.

Proxy

52. (1) A member may be represented at a meeting of members by a proxy who may speak and vote on behalf of the member.

(2) An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in such form as the chairman of the meeting shall accept as properly evidencing the wishes of the member appointing the proxy. The proxy may be general or may contain the specific instructions of the appointor as to how the proxy should act or vote.

(3) The instrument appointing a proxy and any authority under which it was executed or a copy of such authority certified notarially or in some other way approved by the chairman, shall –

(a) be produced at the place appointed for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote;

(b) in the case of a poll taken more than 48 hours after it is demanded, be produced as aforesaid before the time appointed for the taking of the poll;

and an instrument of proxy which is not produced in a manner so permitted shall be invalid.

(4) The instrument appointing a proxy shall be in writing under the hand of the appointor unless the appointor is a corporation or other form of legal entity other than one or more individuals holding as joint owners in which case the instrument appointing a proxy shall be in writing under or the vote or votes cast by such proxy shall be disregarded.

Register of Members

53. As required by the Act—

(1) The Company shall maintain one or more registers to be known as the register of members containing—

(a) the names and addresses of the persons who hold registered shares in the Company;

(b) the number of each class and series of registered shares held by each person;

(c) the date on which the name of each person was entered in the register of members;

(d) the date on which any person ceased to be a member;

(e) in the case of shares issued to bearer, the total number of each class and series of shares issued to bearer;

(f) with respect to each certificate for shares issued—

(i) the identifying number of the certificate,

(ii) the number of each class or series of shares issued specified therein, and

(iii) the date of issue of the certificate;

provided that the Company may delete from the register of members information relating to shares issued that have been cancelled.

(2) The register of members may be in such form as the directors may approve including magnetic, electronic or other data storage form, provided the Company is able to produce legible evidence of its contents within a reasonable time.

(3) A copy of the register of members, commencing from the date of the incorporation of the Company, shall be kept at the registered office of the Company.

Particulars in Register in Relation to Bearer Shares

54. (1) Upon the issue of a bearer share or the conversion of a registered share to a bearer share, the Company shall—

(a) in the case of a conversion, strike out of its register of members and any branch register wherein the share is registered the name of the member entered therein as holding the share in respect of which the bearer share is issued; and

(2) Upon the surrender of a certificate of a bearer share, the date of such surrender shall be entered as if it were the date on which the person ceased to be a member.

Particulars in Register in Relation to Share Warrants

55. (1) Upon the issue of a share warrant in respect of any share, the Company shall—

(a) in the case of the surrender of a certificate of a registered share, strike out of its register of members and any branch register wherein the share is registered the name of the member entered therein as holding the share in respect of which the share warrant is issued; and

(b) enter in the register of members the fact of the issue of the share warrant and the surrender of the share certificate and the date of the issue of the share warrant.

(2) Upon the surrender of a share warrant, the date of the surrender shall be entered as if it were the date on which the person ceased to be a member.

Books and Records

56. (1) The Company shall keep such accounts and records as are necessary in order to reflect its financial position.

(2) The Company shall keep minutes of all meetings of and copies of all resolutions consented to by directors, committees of directors, members (including holders of any class of shares in the company) and committees of members;

(3) The minutes of meetings of directors or of committees of directors shall record the names of the directors present at each meeting.

(4) The Company shall maintain a register of all its directors which shall contain in the case of an individual, his present full names, any former names, his usual residential address and citizenship and in the case of a company, its full name and registered office in its country of legal existence.

(5) The accounts, records, minutes, copies of resolutions and register required by this paragraph shall be kept at the registered office of the Company or at such other place as the directors may determine and shall be open to the inspection of any director during normal business hours.

Inspection of Books and Records

57. (1) Any member of the Company may, in person or by some other person, inspect during normal business hours the register of members, minutes of all meetings of members and resolutions of members of the Company (including meetings of the holders of any class of shares) and to make copies or extracts therefrom.

(2) A person other than a member may only carry out an inspection under subparagraph (1) if he is authorised to do so by power of attorney granted to him by the member or by some other form of written authority acceptable to the directors.

(3) Subject to subparagraph (4), the directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the financial books and records of the Company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any rights of inspecting any financial book or record, or financial document of the Company except as conferred by law or authorised by resolution of the directors.

(4) The members of the company may, by resolution passed by an absolute majority, require that a member or members shall be entitled to inspect the books, records, documents and minutes of the company.

Audit

58. (1) The directors may, by resolution, call for the accounts of the Company to be examined by an auditor or auditors to be appointed by them at such remuneration as may from time to time be agreed.

(2) No member of the company may act as auditor of the company and a person shall not be eligible to act as auditor if—

(a) he is a director or officer of the company;

(b) he was at any time during the period covered by the audit a director or officer of the company.

(3) Every auditor of the Company shall have the right of access at all times to the books of account and vouchers of the Company, and shall be entitled to obtain from the officers of the Company such information and explanations as he thinks necessary for the performance of his duties.

(4) The report of the auditor shall be annexed to the accounts upon which he reports and the auditor shall be entitled to receive notice of, and to attend, any meeting at which the Company's audited balance sheet and profit and loss statement are to be presented.

Authentication or Attestation

59. (1) A document requiring authentication or attestation by the Company may be signed by a director, a secretary or by an authorised officer or agent of the Company, and need not be under the seal of the Company.

(2) The registered agent of the Company may verify the signature of any director, officer or agent of the Company.

Appointment of Agents

60. (1) The Company may, by an instrument in writing, whether or not under seal, authorise any person, either generally or in respect of any specified matters, as its agent to act on its behalf and to execute contracts, agreements, deeds and other instruments on its behalf.

(2) A contract, agreement, deed or other instrument executed on behalf of the Company by an agent appointed under subparagraph (1), is binding on the Company and has the same effect as if it were under the seal of the Company.

Seal

61. (1) The Company shall have a seal which shall have on its face the full name of the Company and the words "Common Seal" or "Corporate Seal" and an imprint thereof shall be kept at the registered office of the Company.

(2) The directors may prescribe a method for the attestation of the affixing of the seal which may, with the authority of the directors, be affixed anywhere in the world.

Corporate Representative at Meetings

62. A body corporate being a director, member or creditor of the Company may act by a natural person who has been appointed for the purpose by a written resolution of the directors or other governing body of the body corporate.

Pension and Superannuation Funds

63. (1) The directors may establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds for the benefit of, (and 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 any company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid or who hold or held any salaried employment or office in the Company or such other company, or any persons in whose welfare the Company or any such other company as aforesaid is or has been at any time interested, and to the wives, widows, families and dependents of any such person, and may make payments for or towards the insurance of any such persons as aforesaid, and may do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid.

(2) A director shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emoluments.

DEBENTURES

Power to Issue Debentures

64. (1) The Company may, in accordance with Part 9 of the Act, issue debentures on such terms and conditions as it thinks fit and in particular but without limiting the generality of the foregoing may issue debentures:

(a) Constituting a charge on any or all the assets of the Company;

(b) As bearer debentures;

(c) Convertible from bearer debentures to registered debentures;

(d) As debentures issued in accordance with the First Schedule of the Act ("First Schedule Debentures").

(2) Each First Schedule debenture issued by the Company shall, so far as it does not exclude or modify the terms contained in the First Schedule, be deemed to have been issued upon such terms and conditions.

(3) Where a debenture is issued as a First Schedule debenture it shall, subject to the terms of the debenture, have the following effect—

(a) The holders of such debentures shall have the right and power to vote and to demand a poll and thereby to determine all those matters in respect of which the members had the right and power to vote and to demand a poll before those rights and powers of the members became suspended in accordance with the terms of the debenture;

(b) Every holder of such debenture, or the trustee for any such holder, shall have one vote for each whole dollar, or its equivalent in any other currency, of the principal sum the subject of the debenture outstanding at the time when the votes are counted;

(c) The holders of such debentures may cast their votes by proxy in writing without attending a meeting;

(d) A resolution in writing signed by a majority in value of the holders of such debentures shall be as effectual as would a resolution passed by a similar majority at a meeting duly convened and held for the purpose;

(e) This Constitution may not be altered without the consent of the debenture holders;

(f) Any provision in this Constitution by which anything is required or permitted to be done by general meeting or by a resolution of the members shall be construed as requiring or permitting the same to be done by a resolution of those debenture holders in whom the right and power to vote are for the time being vested, passed by such majority of votes as would, if the votes were votes of members, be the majority necessary to pass the resolution;

(g) Subject to paragraph (d) notice of a meeting of those debenture holders, in whom the right and power to vote are for the time being vested shall be given to such debenture holders and their trustees, if any, in the same manner as notice of a meeting of members is required to be given to members;

(h) Unless it is otherwise provided by the terms of the debenture, the quorum for any meeting of the holders of such debentures shall be two;

(i) Upon the redemption of any such debenture the rights and powers referred to above of the holders of such debentures shall cease and determine; and

(j) The holder of a First Schedule debenture shall not be deemed to be or to have been a member of a company by reason only of the holding of such debenture or the exercise by him or on his behalf of any rights or powers or discretions pursuant to the terms of the debenture or the dealing in any way with the debenture.

(4) Every debenture of the Company shall bear a serial number, shall be sealed or signed on behalf of the Company and shall contain—

(a) The name of the Company;

(b) The date of issue of the debenture;

(c) A statement of the quorum for meeting of debenture holders;

(d) A statement of the name of the debenture holder where the debenture is not issued to bearer;

(e) A statement of the amount of principal (if any) for which such debenture is issued;

(f) The date upon which such principal is due and payable, if not payable on demand;

(g) The currency or currencies in which the principal and interest are payable; and

(h) The rate of interest, if any, per annum payable thereon.

(5) Where the provisions of the Act and of this Constitution which give the members of the Company the right and power to vote and to demand a poll have been suspended or have otherwise been modified pursuant to the terms of a First Schedule debenture then (subject to there being no other unredeemed First Schedule debentures under the terms of which such provisions are to remain suspended) those provisions shall upon redemption of that First Schedule debenture resume full force and effect in respect of the Company in the same manner and to the same extent as before those provisions were suspended or were modified. Where such provisions resume full force and effect in any other circumstances then in the absence of any provisions to the contrary in this Constitution or in any relevant First Schedule debenture they shall

likewise resume full force and effect in the same manner and to the same extent as before those provisions were suspended or modified.

(6) Subject to the provisions of paragraph 65(9) any bearer debenture issued by a company may be converted by the holder into an ordinary debenture unless the terms of the debenture otherwise provide.

Register of Debentures

65. (1) The Company shall keep and maintain a register of debentures at its registered office in Vanuatu containing the information required pursuant to paragraph 64(4) as well as a copy of all the terms of the debentures issued by the Company.

(2) The Company may cause to be kept in any place outside Vanuatu a branch register of debentures.

(3) Any branch register of debentures of the Company shall be kept in the same manner in which the principal register is kept.

(4) The Company may discontinue a branch register and thereupon all entries in that register shall be transferred to some other branch register kept by the Company or to the principal register.

(5) Where a debenture is registered on a branch register the debenture and all rights arising therefrom shall be situated in the place where it is registered and unless otherwise expressed in the debenture the principal and interest is payable in the money of the place of registration calculated at the exchange rate at noon on the date on which it becomes due and payable.

(6) A debenture registered in a branch register shall be distinguished from a debenture registered in the principal register.

(7) The costs of maintaining branch registers shall, unless the debenture otherwise provides, be borne ratably according to the amount of the principal represented by the debentures registered therein by the holders of those debentures.

(8) Debentures may be transferred from one register to another either by the holder or the Company provided the written consent of the other party is first obtained, which consent shall not be unreasonably withheld; provided further that the Company shall not be obliged to obtain such consent from the holder for the time being of a bearer debenture unless the holder shall have advised it in writing of his address for service of notice.

(9) Any debenture issued to bearer may be converted to a registered debenture and in the absence of any provision to the contrary contained in that debenture as at the date of issue of that debenture, then the conversion shall be effected in the following manner:-

(a) A certified copy of the bearer debenture or the negotiable documents in respect of the same shall be delivered to the registered office of the Company in Vanuatu together with a direction as to the name and address of the person who is to be recorded as the holder of the debenture;

(b) Thereupon the directors of the Company shall resolve to record on the register the person so named as the holder of the debenture;

(c) Recording pursuant to such a resolution shall be undertaken upon receipt by the Company of the original bearer debenture or the negotiable documents in respect of the same within the time specified in subparagraph (e), and shall have effect as from the date of the directors resolution;

(d) Upon the resolution of the directors referred to in subparagraph (b) the original bearer debenture shall cease to be a security of the Company but in the event of the original bearer debenture or the negotiable documents in respect of it not being received within the time specified in subparagraph (e) the original bearer debenture shall be deemed at all times to have been a security from its original date of issue;

(e) Upon the original bearer debenture or the negotiable documents in respect of the same being received by the Company for cancellation within 1 month of the passing of the resolution the Company shall issue a certificate to the person entitled thereto in respect of the registered debenture into which the bearer debenture has been converted; and

(f) Should the original bearer debenture or the negotiable documents in respect of the same not be received by the Company for cancellation within 1 month of the passing of the resolution the registered debenture and the resolution for recording and any recording in respect of the conversion shall be deemed to be cancelled.

(10) The Company shall be responsible for any loss incurred by any person by reason of the Company recording in its register of debentures the name of the holder of any bearer debenture without the original bearer debenture or the negotiable documents in respect of the same being surrendered to the Company and cancelled prior to or contemporaneously with that entry.

(11) Upon the surrender to the Company of a registered debenture, the Company shall enter in the appropriate register of debentures the fact and date of its surrender.

Reissue of Redeemed Debentures

66. Where the Company has redeemed any debentures, (unless any provision to the contrary, whether express or implied, is contained in any contract entered into by it, or unless it has, by passing a resolution to that effect or by some other act, manifested its intention that the debentures shall be cancelled), it shall have power to reissue one or more of the debentures, either by reissuing the same debentures or by issuing other debentures in their place, but the reissue of a debenture or the issue of one debenture in place of another under this paragraph shall not be regarded as the issue of a new debenture for the purpose of any provision limiting the amount or number of debentures that may be issued by the Company.

RECONSTRUCTIONS AND DISPOSITION OF ASSETS

Merger or Consolidation

67. The Company may in accordance with the Act –

(1) merge or consolidate with one or more other companies whether incorporated under the laws of Vanuatu or otherwise; and

(2) merge with one or more subsidiary companies.

Disposition of Assets

67. As required by the Act, any sale, transfer, exchange or other disposition of more than 75 per cent, by value, of the assets of the Company, other than a transfer pursuant to the power described under Section 9(2) of the Act, if not made in the usual manner or regular course of the business carried on by the Company, shall be as follows –

(1) the proposed sale, transfer, exchange or other disposition shall be approved by the directors;

(2) upon approval of the proposed sale, transfer, exchange or other disposition, the directors shall submit the proposal to the members for it to be authorised by a resolution of members;

(3) if a meeting of members is to be held, notice of the meeting, accompanied by an outline of the proposal, shall be given to each member, whether or not he is entitled to vote on the sale, transfer, exchange or other disposition; and

(4) if it is proposed to obtain the written consent of members, an outline of the proposal shall be given to each member, whether or not he is entitled to consent to the sale, transfer, exchange or other disposition.

Redemption of Minority Shares

68. (1) Members holding 90 per cent of the votes of the outstanding shares entitled to vote, and members holding 90 per cent of the votes of the outstanding shares of each class and series of shares entitled to vote as a class or series, on a merger or consolidation under paragraph 67, may give written instruction to the Company directing it to redeem the shares held by the remaining members.

(2) Upon receipt of the written instruction referred to in subparagraph (1), the Company shall redeem the shares specified in the written instruction irrespective of whether or not the shares are by their terms redeemable.

(3) The Company shall give written notice to each member whose shares are to be redeemed stating the redemption price and the manner, in which the redemption is to be effected.

Arrangements

69. (1) The directors of the Company may, by resolution, approve a plan of arrangement that contains the details of the proposed arrangement.

(2) Upon approval of the plan of arrangement by the directors, the Company shall make application to the court for approval of the proposed arrangement as provided for in the Act.

CONTINUATION AND WINDING UP

Continuation Under Foreign Law

70. The Company may, by a resolution of directors or members, be continued as a company incorporated under the laws of a jurisdiction outside the current jurisdiction of the Company.

Winding Up

71. (1) If the Company shall be wound up, the Liquidator may, in accordance with a resolution of members and subject to any provision of the Act, divide amongst the members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(2) The Liquidator may vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the Liquidator shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

MISCELLANEOUS PROVISIONS

Notices

72. (1) Any notice to be given to or by any person pursuant to this Constitution, other than a notice calling a meeting of directors, shall be in writing.

(2) The Company may give notice to a member holding a registered share either personally or by sending it by post in a prepaid envelope (airmail if available) addressed to the member at his registered address or by leaving it at that address.

(3) Notice shall be given to members holding shares issued or bearer, by notice posted at the principal office of the Company in Vanuatu.

(4) In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders.

(5) A member present, either in person or by proxy, at any meetings of members or of holders of a class of shares in the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

(6) Proof that an envelope containing a notice was properly addressed, prepaid and posted (by airmail if posted to an address in a different jurisdiction) shall be conclusive evidence that notice was given. Notice shall be deemed to have been given at the expiration of 10 days after the envelope containing it was posted.

Interpretation

73. In this constitution—

(1) "the Act" means the International Companies Act [Cap. 222].

(2) Unless the context otherwise requires:

(a) words or expressions contained in this constitution shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company,

(b) the singular shall include the plural and vice-versa, the masculine shall include the feminine and neuter and references to persons shall include corporations and all legal entities capable of having a legal existence.

Signature of Incorporator:

Incorporator's Name:

Address: