

"A"
CONSTITUTION
Of
LIVESTOCK DEVELOPMENT CORPORATION
LIMITED

(Pursuant to the Companies Act 1997)

This is annexure of 53 pages, marked "A" referred to in the Notice of Adoption, Alteration or Revocation of Constitution, Form 9 signed by Dr. Vele Pat Ila'ava dated the day of March 2015.

I certify that I have compared this copy with the original document and declare that it is true of that document.

.....
Dr Vele Pat Ila'ava

Executive Chairman

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CONSTITUTION

LIVESTOCK DEVELOPMENT CORPORATION LIMITED

PART 1

PRELIMINARY

1. DEFINITIONS

1.1 In this Constitution unless the context otherwise requires the following words and expressions have the meanings given to them in this clause:

"Act" means the Companies Act 1997.

"Alternate director" means a director appointed pursuant to clause 14.7(a)

"Amalgamation" means the completed act of the company and one or more other companies amalgamating pursuant to Part XIV of the Act and continuing as one company, which may be one of the amalgamating companies or may be a new company.

"Annual meeting" means a meeting of shareholders held pursuant to clause 12.1.

"Balance date" means the date adopted by the company at which the balance sheet of the company prepared for the purpose of its annual financial statements is prepared.

[Section 2 of the Act]

"Board" means the directors numbering not less than the requires quorum acting as the board of director so acting alone.[Section 108 of the Act].

"call" means a resolution of the board pursuant to clause 7.1 requiring shareholders to pay all or part of the unpaid amount of the issue price of any shares and where the context requires means the obligation of a shareholder to meet the amount due pursuant to such a resolution.

"class "and "class of shares" means a class of shares having attached to them identical rights, privileges right, privileges, limitations, and conditions. [Section 97 of the Act].

"Chairperson" means the chairperson of the board elected pursuant to clause 19.1

"Company "means Livestock Development Corporation Limited

"Constitution" means this constitution of the company and all amendments made to it from time to time.

"Director" means a person appointed and continuing in office for the being, in accordance with the constitution, as a director of the company.

"Distribution" means

- (a) the direct or indirect transfer of money or property, other than shares by the company to or for the benefit of a shareholder ;and
- (b) the incurring of a debt by the company to or for the benefit of a shareholder

in relation to shares held by that shareholder, and whether by means of a purchase of property, the redemption or other acquisition of shares, a distribution of indebtedness, or by some other means.[Defined in section 2(1) of the Act].

"dividend" means a distribution by the company other than a distribution to which section 56(acquisition of company's shares) of the Act applies.[Section 51 of the Act].

"General meeting" means any meeting of shareholders, other than an interest group meeting.

"Interest group", in relation to any action or proposal affecting rights attached to shares, means a group of shareholders:

- (a) whose affected rights are identical;
- (b) whose rights are affected by the action or proposal in the same way; and
- (c) (subject to the proviso below) who comprise the holders of one more classes of shares;

Provided that

- (d) One or more interest groups may exist in relation to any action or proposal; and
- (e) If :
 - (i) Actions is taken in relation to some holders of shares in a class not others; or
 - (ii) A proposal expressly distinguishes between some holders of shares in a class and other holders of shares of that class,

Holders of shares in the same class may fall into 2 or more interest groups.

[Section 97 of the Act]

"Interest register "means a register kept by the company at its registered office pursuant to section 164(1)(c) of the Act.

"Major transaction" means:

- (a) The acquisition of, or an agreement to acquire, by the company, whether contingent or not, assets equivalent in value to the to the value of the assets or the greater part of the assets of the company before the acquisition; or
- (b) The disposition of, or an agreement to dispose of, whether contingent or not, the whole or the greater part of the assets of the company; or
- (c) A transaction which has or is likely to have the effect of the company acquiring rights or interests or incurring obligations or liabilities equivalent in value to the value of the assets or the greater part of the assets of the company before the transaction.
- (d) But does not include any transaction entered into by a receiver appointed pursuant to a security over any assets of the company. [Section 110(4) of the Act.

"Managing director" means an employee of the company with the responsibility for the management of the company (together with any other employee) who is appointed to the board pursuant to clause 17.1

"Minister" means the Minister from time to time being responsible for the Department of Agriculture and Livestock, who is duly entrusted with the responsibility of the Company pursuant to the Department of Titles and Responsibilities of the Ministers and published in the National Gazette No G13 of 28 January 2003.

"month" means calendar month.

"Ordinary resolution" means a resolution of shareholders approved by a simple majority of the votes of those shareholders entitled to vote and voting on the question.

[section 87(2) of the Act].

"ordinary share" means a share which confers on the holder:

- (a) The right to vote at meetings of shareholders and on a poll to cast one vote for each share held ;and
- (b) Subject to the rights of any other class of shares, the right to an equal share in dividends and other distributions made by the company; and
- (c) The right to an equal share in the distribution of the surplus assets of the company on its liquidation.[section 37(1) of the Act]

"register" means the register of shares required to be kept in accordance with section 395 of the Act.

"Registrar" means the Registrar of Companies appointed pursuant to section 394(1) of the Act.

registration day" means a day on which the Registrar's office is open for business for the registration of documents in respect of the Company.

"securities " has the same meaning as in the Securities Act 1997.

"share" means a share in the capital of the Company.

"shareholder" means a person or entity.

- (a) Registered in the register as the owner of one more shares;
- (b) Until such time as his, her or its name is entered in the register, a person named as a shareholder in the application for registration of the constitution of the company at the time of incorporation of the company; and
- (c) Until the person's name is entered in the register, a person who is entitled to have that person's name entered in the register under a registered amalgamation proposal as a shareholder in an amalgamation company.
[Section 78 of the Act].

"solvency test" means an examination to be applied to the financial state of the company which will be satisfied with.

- (a) The company is able to pay its debt as they become due in the normal course of the business; and
- (b) The value of the company assets is greater than the value of the company's liabilities, including contingent liabilities.

And in respect of which regard has been had to the matters referred in section 4(2) of the Act.

"special meeting" means any meeting (other than an annual meeting) of the shareholders entitled to vote on an issue, called at any time by the board or by any other person who by this constitution is entitled to call meetings of shareholders. [Section 121 of the act]

"Special resolution" means a resolution of shareholders approved by a majority of 75 percent of the votes of those shareholders entitled to vote and voting on the question.
[Section 2(1) of the Act]

"Working day" means a day of the week other than:

- (a) Saturday, Sunday, Good Friday, Easter Monday, the Sovereign's Birthday, Independence Day; and
- (b) A day in the period commencing with 25 December in any year and ending with January 2 in the following year;
- (c) If the day of January in any year falls on a Friday, the following and
- (d) If the first day of January in any year falls on a Saturday or Sunday, the following Monday and Tuesday. [Section 2(1) of the Act].

"Writing" includes all modes of representing or reproducing words, figures or symbols in a visible form including reproduction by facsimile machine.

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

1.3 A reference to a person includes any firm, company or other body corporate.

- 1.4 Subject to above, expressions contained in this constitution bear the same meaning as in the Act at the date on which this constitution becomes binding on the company.
- 1.5 A reference to a clause means a clause of this constitution.
- 1.6 The clause heading and footnotes are included for the purposes of convenience and do not affect the construction of this constitution.

PART 11

CAPITAL, SHARES AND DIVIDENDS

2. ISSUE OF SHARES

2.1 Initial Issue of Shares

- (a) In accordance with section 42(a) of the Act the company must forthwith after registration, issue to the persons named in the application for registration as shareholders, the number of shares specified in the application as being the number of shares to be issued to those persons.
- (b) The consideration for each share is One Kina (K1.00) and is to be paid at the time and in the manner determined by the Board pursuant to clause 7.

2.2 Board May Issue Shares

Subject to clause 2.3 and to the board's obligation to issue shares at fair value and to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, conversion, return of capital, amount of calls to be paid, and times of payment or otherwise, as the board may from time to time determine.

2.3 Entitlement to New Shares

- (a) Shares issued or proposed to be issued that rank or would rank as to voting or distribution rights or both equally with or to shares already issued by the company must be offered for acquisition to the holders of the shares already issued in a manner and on terms that would if accepted maintain the existing voting or distribution rights or both of those holders.
- (b) The offer must be made by notice specifying the number of shares to which the shareholder is entitled and limiting a time within which the offer if not accepted is deemed to be declined.
- (c) The offer must remain open for a reasonable time.[Section 45(2) of the Act].
- (d) After the expiration of that time or on the receipt of intimation from the shareholder to whom such notice is given that he or she declines to accept the shares offered the board must offer those shares proportionately to the other then existing shareholders.
- (e) The board may dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of the new shares) cannot in the opinion of the board be reasonably offered under this clause.

- (f) Nothing contained in this clause prevents the board from issuing (either as fully paid up or partly paid up) any shares in payment or in part payment for the purchase of any assets or in satisfaction or part satisfaction of any obligation into which the company has entered or agreed to enter.

2.4 Consideration for Issue of Shares

- (a) The consideration for which a share is issued may take any form and may be cash, promissory notes, contracts for future services, real or personal property or other securities of the company.
- (b) Subject to clause 2.4(c) before the board issues shares (other than shares issued upon incorporation) it must:
 - (i) Decide the consideration for which the shares will be issued and the terms on which they will be issued.
 - (ii) If the shares are to be issued other than for cash determine the reasonable present cash value of the consideration for the issue:
 - (iii) Resolve that, in its opinion, the consideration for the shares and their terms of issue are fair and reasonable to the company and to all existing shareholders; and
 - (iv) If the shares are to be issued other than for cash resolve that, in its opinion, the present cash value of that consideration is not less than the amount by which the shares would be credited as paid up. [Section 47 of the Act]
- (c) **Clause 2.4 (b) does not apply to:**
 - (i) The issue of shares that are fully paid up from the reserves of the company to all shareholders of the same class in proportion to the number of shares held by each such shareholder; nor
 - (ii) The consideration and division, or subdivision of shares or any class of shares in the company in proportion to those shares or the shares in that class. [Section 48 of the Act]

2.5 Directors Certificate on Consideration for Issue

- (a) the directors who vote in favor of a resolution required under clause 2.4 (b) to issue shares must sign a certificate:
 - (i) Stating the consideration for, and the terms of, the issue;
 - (ii) Stating that, in the opinion, the consideration for and terms of issue are fair and reasonable to the company and to all existing shareholders; and
 - (iii) If the shares are to be issued other than for cash payable on issue, stating that, in the opinion, the present cash value is not less than the amount by which the shares would be credited as paid up. [Section 47(2) of the Act].
- (b) A copy of the director's certificate given in respect of the consideration for the issue of shares must be filed with the Registrar within 10 working days after the certificate is given.

2.6 Payment on Shares Already Issued

Before shares that have already been are credited as fully or partly paid up other than for cash, the board must:

- (a) Determine the reasonable present cash value of the consideration; and
- (b) Resolve that, in its opinion, the present cash value of the consideration is fair and reasonable to the company and all existing shareholder.

2.7 Certificate on Payment of Shares Already Issued

- (a) The directors voting in favor of a resolution under clause 2.6(b) regarding the consideration payable in paying up in part or in full shares previously issued must sign a certificate describing the consideration in sufficient detail to identify it, and stating.
 - (i) The present cash value of the consideration and the basis for assessing it and;
 - (ii) That the present cash value of the consideration is fair and reasonable to the company and to all existing shareholders.[Section 47(2) of the Act]
- (b) The board must deliver a copy of a certificate that complies with clause 2.7(a) to the Registrar within 10 registration days after it is given.

2.8 Deemed Payment Other Than for Cash

For the purpose of clause 2.4 or 2.6, shares that are to be credited as paid up as part of an arrangement that involves the transfer of provision of services and an exchange of cash or cheques or other negotiable instruments, whether simultaneously or not, must be treated as paid up other than in cash to the value of the property or services.

2.9 Amount Owning on Issued of Shares

Where money or other consideration is due to the company on shares in accordance's with their terms of issue such an amount does not comprise a call and no notice is required to be given to the holder or other person liable under the terms of issue in order for the company to enforce payment of the amount due.

2.10 Company Paying up Partly Paid Shares

Subject to the distribution meeting the solvency test and subject to clause 2.6 the board may authorize the payment from the assets of the company any amount unpaid on shares already issued by the company.

3 . PURCHASE OF OWN SHARES

3.1 Purchases by Company of its Shares

The company may, in accordance with and subject to sections 56,89 and 91 to 96 of the Act, purchase or otherwise acquire its shares.

3.2 Cancellation of Shares

Subjected to clause 3.3, shares acquired by the company pursuant to clause 3.1 deemed to be cancelled immediately on acquisition by the company but any shares so cancelled may be reissued by the company.[Section 66 of the Act].

4. TRANSFER OF SHARES

4.1 Entry in Register

Subject to clause 4.2 shares may be transferred by entry of the name of the transferee on the register. [Section 65 of the Act].

4.2 Signed Transfer

For the purpose of transferring shares a form of transfer signed by the present holder of the shares or the holder's personal representative must be delivered to the company or to the agent of the company who maintains the register. [Section 65(2) of the Act]

4.3 Form of Transfer

- (a) The form of transfer may be in the form approved by the board
- (b) The form of transfer must be signed by the transferee if registration as holder of the shares or the holder's personal representative must be delivered to the company or to the agent of the company who maintains the register [Section 65(3) of the Act].

4.4 Board's Right to Refuse Registration of Transfer

- (a) the board may, within 30 working days of the receipt of a transfer of shares, refuse or delay the registration of the transfer if:
 - (i) the holder of the shares has failed to pay an amount due to the company in respect of those shares; or
 - (ii) the provisions of clause 4.6 to 4.16 dealing with pre-emptive rights have not been fully complied with; or
 - (iii) the board considers that to effect the transfer would result in a breach of the law; or
 - (iv) the board considers that it is not in the best interest of the company to register the transfer; or
 - (v) clause 6.2 (production of share certificate) has not been complied with or the share transfer has not been properly executed or does not comply with clause 4.3(a)
- (c) a resolution of the board to refuse or delay a transfer of shares must set out in full the reason for doing so and must be sent to the transferor and transferee within 5 working days of the date of the resolution. [Section 65(4)(b) of the Act].

4.5 Registration of Transfer

Subject to clause 4.3 (form of transfer) on receipt of a duly completed form of transfer, the company must enter the name of the transferee on the register as holder of the shares, unless the board has resolved in accordance with clause 4.4 to refuse or delay the transfer of the shares.

4.6 Restriction upon Transfer of Shares

Except where the transfer is made pursuant to clauses 4.15 or 4.16, every shareholder or trustee in bankruptcy who may desire to sell or transfer any shares, and every personal representative of a

deceased shareholder who may desire to sell or transfer any shares of the deceased, (hereinafter called "the proposing transferor") shall give notice in writing (hereinafter called "a transfer notice") to the company that the shareholder desires to transfer the same. Such transfer notice shall specify the sum the shareholders consider to be the value thereof and shall (subject as is hereinafter provided) constitute the company as agent for the sale of shares to any other shareholder or shareholders of the company, or other person or persons nominated by the board, at the sum so fixed or, at the option of the purchaser, at the fair value to be fixed in accordance with clause 4.8.

4.7 Transfer Notice

The board shall immediately upon receipt of the notice send to each of the shareholders of the company, other than the proposing transferor, a notice advising the number of shares for sale and the value thereof as stated by the proposing transferor and naming a day, being two (2) months after the receipt by the company of the transfer notice, by which such shareholder must elect to acquire all or any portion of such shares and whether at the stated value or at the fair value to be fixed. After the receipt of replies from any shareholder or shareholders or the expiry of the said period of two (2) months the said shares shall be allocated to those shareholders willing to purchase the same and, if more than one (1), then in proportion to their existing shareholding in then the shares not purchased by the shareholders shall be allocated by the directors to such person or persons who are willing to purchase the same and whom the directors are prepared to register as a shareholder.

4.8 Fair Value

If any shareholder or person allocated by the director as aforesaid shall elect to purchase at the fair value, the same shall be fixed on the application on either party by a person to be nominated by the President for the time being of the Papua New Guinea Institute of Accountants and if for any reason that President fails to make a nomination then by the President for the time being under the Arbitration Act... Such person, when nominated and in certifying the sum which in the person's opinion is the fair value of the shares, shall be considered to be acting as an expert and not as an arbitrator and accordingly the Arbitration Act and its amendments shall not apply. The value so fixed shall be fair value.

4.9 Part Offer

The offer of the proposing transferor may consist of all or part of the shares in the company held by that person and if the transfer notice includes several shares then the proposing transferor shall not be bound to sell or transfer part only of the shares specified in the transfer notice and may revoke the said notice unless accepted in respect of all shares by the proposing transferor.

4.10 Right to Revoke

If the fair value fixed as aforesaid is less than the sum specified by the proposing transferor in the transfer notice as the sum considered to be the value of the shares, the proposing transferor shall be entitled, at any time before the expiration of ten (10) working days after the date of receiving notice of the fixing of the fair value as aforesaid to revoke the transfer notice within the specified time then it

shall remain in full force and effect and the proposing transferor shall be bound thereby and thereafter the transfer notice shall be revocable only by resolution of the board.

4.11 Payment

Within ten (10) working days of the board allocating such shares, if at the stated value, or within ten(10) working days after the expiration of the period within which the proposed transferor may revoke the transfer notice, if at fair value,(which ever shall later occur)the purchaser or purchasers shall tender the value of the shares to the transferor and shall receive in return the signed share transfer and relevant share certificate.

4.12 Company May Execute Transfer

If in any case proposing transferor, after becoming bound as aforesaid, makes default in transferring the shares, the company may execute transfers of the shares on behalf of the proposing transferor, and the company may receive the purchase money and shall thereupon cause the names of the transferees to be entered in the register as the holders and shall hold the purchase money (subject to any lien in favor of the company) in trust for the proposing transferor. The boards receipt shall be raised as to discharge to the transferees to the purchase price and no question shall be raised as to the title of the transferees to the shares after they are registered as the holders thereof.

4.13 Shareholder May Sell Shares

If the board shall not on the expiry of two(2) months after the receipt of a transfer notice find a shareholder or other person whom the board is prepared to register as a shareholder willing to purchase the shares the proposing transferor shall, at the time or within three(3) months afterwards, be at liberty to sell and transfer the share to any person at a price not lower than the lesser of the value specified in the transfer notice or the fair value fixed as aforesaid.

4.14 Shareholder's Bankruptcy

If a shareholder is adjudicated bankrupt such adjudication shall operate to constitute the board as the duly appointed agent of the bankrupt and of that shareholders' estate in bankruptcy for the purpose of:

- (a) Giving to the company a transfer notice as hereinbefore mentioned and;
- (b) Selling the shares as provided in clauses 4.6 to 4.13

4.15 Transfers to Relatives and Trust

Shares may be transferred by a shareholder to the spouse or any parent ,child or other issue,stepchild,son –in law or daughter-in-law of that shareholder or to a trustee of any trust which is in the opinion of the board, exclusively or principally for the benefit of any of those persons, and shares standing in the name of any such trustee or of the trustee of the will of a deceased shareholder may similarly be transferred and the restrictions in clause 4.6 shall not apply to any transfer authorized by this clause.

4.16 Transfer Approved by All Shareholders

Any share may be transferred by a shareholder to any person if the transfer is approved or the proposed transferees are approved in writing by all shareholders and the restrictions in clause 4.6 shall not apply to any transfer authorized by this clause.

4.17 Operation Law

Shares may pass by operation of law notwithstanding the provisions of clauses 4.1 to 4.16 above [Section 66 of the Act]

5. SHARE REGISTER

5.1 Maintain Register

(a) the company must maintain a register which records all shares issued by the company and which states

(i) whether under this constitution or the terms of issue of any shares there are any restriction or limitation on their transfer, and

(ii) where any document that contains the restrictions or limitations may be inspected [Section 67(1) of the Act]

(b) the company may appoint an agent to maintain the register.[Section 67(3) of the Act].

5.2 Contents of Register

The register must state, with respect to each class of shares

- (a) The names, alphabetically arranged, and the last known address of each person who is, and each person who has within the last 10 years been, a shareholder; and
- (b) The number of shares of that class shares held by each shareholder within the last 10 years ;and
- (c) The date of any:
 - (i) Issue of shares to; or
 - (ii) Repurchase or redemption of shares from; or
 - (iii) Transfer of shares by or to,

Each shareholder within the last 10 years, and in relation to the transfer, the name of the person to or from whom the shares were transferred.[Section 67(2) of the Act].

5.3 Directors' Duty to Supervise Register

It is the duty of each director to take reasonable steps to ensure that the register is properly kept and that share transfers are promptly entered on it in accordance with clause 4.5[Section 70 of the Act].

5.4 Register Prima Facie Evidence

Subject to section 71 of the Act (power of Court to rectify register), the entry of the name of a person in the register as holder of a share is prima facie evidence that the legal title to the share is vested in that person. [Section 69 of the Act].

5.5 Register Evidence of rights

The company may treat the registered holder of a share as the only person entitled to:

- (a) Exercise the right to vote attaching to the share; and
- (b) Receive notices in respect of the share; and
- (c) Receive a distribution in respect of the share; and
- (d) Exercise the other rights and powers attaching to the share. [Section 69(2) of the Act]

5.6 Trust not to be Registered or Recognized

- (a) No notice of trust, whether express, implied, or constructed may be entered on the register. Nevertheless, personal representatives of a deceased shareholder may be registered in accordance with Section 73 of the Act and the assignee of the property of a bankrupt may be registered in accordance with Section 74 of the Act.
- (b) Except as required by law, no person will be recognized by the company as holding any share upon trust or holding any interest in a share whether equitable, contingent, future or partial except the absolute legal right to the entirety of the share vested in the registered holder.

6. SHARE CERTIFICATES

6.1 Application for Share Certificates

- (a) A shareholder may apply to the company for a certificate relating to some or all of the shareholders shares in the company.
- (b) On receipt of an application for a share certificate the company must, within twenty (20) working days after receiving the application send to the shareholder a certificate stating:
 - (i) the name of the company ;and
 - (ii) the class of shares held by the shareholder ; and
 - (iii) the number of shares held by the shareholder to which the certificate relates.
- (c) if the application relates to some but not all of the application's shares the company must separate the shares shown in the register as owned by the applicant into separate parcels; one parcel being the shares to which the share certificate relates, and the other parcel being any remaining shares. [Section 75 of the Act].

6.2 Transfer to be accompanied by Certificate

Notwithstanding clause 4 and section of the Act (transfer of shares), where a share certificate has been issued, a transfer of the shares to which it relates must not be registered by the company, unless the form is accompanied by the share certificate relating to the share, or by evidence as to its loss or destruction, and if required, an indemnity in a form required by the board [Section 65 of the Act].

6.3 Surrendered Share Certificate

Where shares to which a share certificates relates are transferred ,and the share certificates has been sent to the company to enable registration of to transfer, the share certificate will be cancelled and no further share certificate issued except at the request of the transferee.

7. CALLS ON SHARES

7.1 Board May Make Calls

Subject to the terms of issue of any shares the board may resolve to require the holders of unpaid or partly paid shares to pay all or part of the amount unpaid on the shares. The terms of the resolution of the board will constitute the terms of the obligation to pay the call including payment by installments. The call may be revoked or postponed at any time by the board.

7.2 Notice of Calls

(a) Subjected to the terms of issue of any class of shares unless all the holders of a class of shares subject to a call unanimously agree, a call or the postponement or revocation of a call will apply to all the holders of shares of the class equally.

(b) Notice of the call must be given to the holder of the shares at the time the call or to a subsequent holder. The notice must specify the amount which was called on the shareholders' shares and the time by which the call must be paid which shall not be less than five working days from the date of receipt of the notice. Failure to give to a shareholder will not invalidate a call but it will not be payable; by that shareholder until the notice has served on the shareholder.

(c) Notice of a call sent by post to a shareholder to the address recorded in the register as the address of the shareholder will be deemed to have been received by the shareholder the day following the date of the notice to the shareholder.

7.3 Liability for Calls

(a) The joint holders of shares are jointly and severally liable to pay all calls in respect of the shares.

(b) If a call is not paid before or on the day appointed for payment the person from whom the sum is due will be liable to pay interest on the sum, from the day appointed for payment to the time of actual payment, at such rate as the board determines either at the of the call or subsequently.

(c) The liability for a call which has become due and payable attaches to the holder of the shares for the time being recorded in the register and not a prior holder of the shares notwithstanding that at the date of the call, or the date call fell due for payment another person was the holder of the shares or that the notice of the call was served on the then shareholder and not the current holder of the shares.[Section 82 of the Act]

8. SUSPENSION OF RIGHT TO DIVIDENDS AND LIEN

8.1 Notice of Suspension of Right to Dividends

IF a shareholder fails to pay any call or installment of a call on the day appointed for payment, the board may at any time after that date, while any part of the call or installment payable by the shareholders remains unpaid, suspend payment of any dividends or other distributions payable to the shareholder until so much of the call or installment as is unpaid together with any interest which may have accrued and all expenses that may have been incurred by the company by reason of such non-payment have been paid to the company in full.

8.2 Application of Suspended Dividends

All dividends and other distributions which would have been payable in respect of shares which are subject to a suspension of the right to dividends or distributions must be withheld and applied by the company to reduce the amount owing under the call including amounts owing under clause 8.3(b).

8.3 Lifting of Suspension of Right to Dividends

(a) When the total dividends and distributions withheld and applied under clause 8.2 equal the total amount owing under the call the suspension of the right to dividends and distribution will be lifted, and all rights to be paid dividends and distributions on the shares will resume.

(b) The amount owing under the call for the purpose of clauses 8.2 and 8.3 may include any interest which may have accrued and all expense which may have been incurred by the company by reason of non-payment by the shareholder under the call.

8.4 Lien

(a) The company has a first and paramount lien upon every share registered in the name of the shareholder (whether solely or jointly solely or jointly with others) and upon the proceeds of sale of those shares for all money (whether presently payable or not) payable in respect of shares held by the shareholder to the company on any account whatever and also for such amounts (if any) as the company may be called upon to pay under any statute or regulation in respect of shares of a deceased or other shareholder, whether the period for the payment, fulfillment or discharge respectively has actually arrived or not.

(b) The lien extends to all dividends from time to time declared in respect of the shares.

8.5 Sale on Exercise of Lien

(a) The company may sell in such manner as the board thinks fits any shares on which the company has a lien but no sale may be made unless a sum in respect of which the lien exists is due and payable nor until the expiration of ten (10) working days after a notice in writing, stating and demanding payment of the amount due and payable in respect of which the lien exists has been given to the registered holder for the time being of the share or the person entitled to that share by reason of the registered holder's death or bankruptcy.

(b) The net proceeds of the sale of any shares sold for the purpose of enforcing a lien is to be applied in or towards satisfaction of any unpaid calls, in or towards satisfaction of any unpaid

calls, instalments or any other money in respect of which the lien existed and the residue, if any, paid to the former holder of the shares.

(c) A certificate signed by a director stating that the power of sale provided in this clause 8 has arisen, and is exercisable by the company under this constitution, will be conclusive evidence of the facts stated in the certificate.

(d) For giving effect to any sale enforcing a lien in purported exercise of the powers given in this constitution, the board may authorize some person to transfer the shares sold to the purchaser. The purchaser will be registered as the holder of the shares comprised in the transfer and will not be bound to see to the application of the purchase money, nor will the purchaser's title to the shares be affected by an irregularity or invalidity in the proceedings in reference to the sale. The remedy of any person aggrieved by the sale will be in damages only and against the company exclusively. If the certificate distinguishing it as the board thinks fit from the certificate not delivered up.

9. DISTRIBUTIONS

9.1 Solvency Test

(a) Subject to clause 9.2 the board may, if it is satisfied on reasonable grounds that the company will, immediately after the distribution, satisfy the solvency test, authorize a distribution by the company to shareholders of an amount and to any shareholders as it thinks fit.

(b) The directors who vote in favor of a distribution must sign a certificate stating that in their opinion the company will, immediately after the distribution, satisfy the solvency test and stating the grounds for that opinion. [Section 4 and 50 of the act].

(c) For the purpose of this clause in applying the solvency test "debts" and "liabilities" have the meaning given to them in section 50(4) of the Act.

9.2 Dividends Payable pari Passu

(a) Subject to clause 9.2 (b) the board may not authorize a dividend.

(i) In respect of some but all the shares in a class; or

(ii) that is of a greater value per share in respect of some shares of a class than in respect of other shares of that class, unless the amount of the dividend in respect of a share of that class is in proportion to the amount paid to the company in satisfaction of the liability of the holder of the shares under this constitution or under the terms of issue of the shares. [Section 51(2) of the Act].

(b) A shareholder may, by notice in writing signed by or on behalf of the shareholder, and given to the company, waive his or her entitlement to receive a dividend. [51 (3) of the Act].

(c) If all the shareholders of the same class concur in writing in respect of each proposed dividend the company may pay a dividend which is distributed other than in accordance with clause 9.2 (a). [Section 89 (1) of the Act].

9.3 Bonus Shares in Lien of Dividend

The board may issue shares to any shareholders who have agreed the issue of shares wholly or partly in lien of a proposed dividend or proposed future dividends if:

- (a) The right to receive shares wholly or partly in lien of the proposed dividend or proposed future dividends has been offered to all shareholders of the same class on the same terms; and
- (b) If all shareholders elected to receive the shares in lien of the proposed dividend, relative voting or distribution rights, or both would be maintained; and
- (c) The shareholders to whom the right is offered are afforded a reasonable opportunity of accepting it and;
- (d) The shares issued to each shareholder are issued on the same terms and subject to the same rights as the shares issued to all shareholders in that class who agree to receive the shares; and
- (e) The provisions of section 47 of the Act are complied with by the board [Section 52 of the Act].

9.4 Discounts to Shareholders

- (a) the board may pursuant to a discount scheme offer shareholders discounts by the company in respect of some or all of goods sold or services provided by the company.
- (b) Subject to clause 9.4(d) the discount scheme must be one where the board has previously resolved that the proposed discounts are:
 - (i) fair and reasonable to the company and all shareholders, and
 - (ii) will be available to all shareholders or all shareholders of the same class on the same terms.
- (c) The discount scheme may not be approved or continued by the board unless the board is satisfying, the solvency test.
- (d) If all shareholders of the class of shares to which a proposed discount scheme would apply agree in writing, the scheme may be put into effect notwithstanding it does not comply with clause 9.4(b). [Sections 53 and 89(1) of the Act].

9.5 Financial Assistance on Acquisition of Shares

The company may, subject to and in accordance with sections 63 and 89 (2)(d) of the Act, give financial assistance to a person for the purpose of, or in connection with, the purchase of shares issued, or to be issued by the company, or by its holding company, whether directly or indirectly.

PART III

SHAREHOLDERS' RIGHTS AND OBLIGATIONS

10. STATEMENT OF SHAREHOLDER RIGHTS

A shareholder may request a statement of rights from the company in accordance with Section 83 of the Act.

11. EXERCISE OF POWERS RESERVED TO SHAREHOLDERS

11.1 Powers Reserved to Shareholders

- (a) Powers reserved to shareholders of the company by the Act or by this constitution may be exercised only
 - (i) at an annual meeting or a special meeting; or
 - (ii) by a resolution in lieu of a meeting pursuant to clause 12.3

(b) Unless otherwise specified in the Act or this constitution, a power reserved to shareholders may be exercised by an ordinary resolution. [Section 86 and 87 of the Act].

11.2 Special Resolution

When shareholders exercise a power to approve any of the following that power may only be exercised by a special resolution:

- (a) an alteration to or revocation of this constitution or the adoption of a new constitution;
- (b) a major transaction;
- (c) an amalgamation;
- (d) the liquidation of the company.

Any decision made by special resolution pursuant to this clause may be rescinded only by a special resolution to put the company into liquidation cannot be rescinded. [Section 89 of the Act].

11.3 Management Review by Shareholders

(a) A shareholder may question, discuss, and comment on the management of the company at a meeting of shareholders.

(b) A meeting of shareholders may pass a resolution relating to the management of the company.

(c) Notwithstanding section 109 of the Act (management of company by board) or any other clause of this constitution, a resolution relating to the management of the company and passed at a meeting of shareholders, in accordance with clause 11.3(b) is not binding on the board.

11.4 Dissenting Shareholder May Require Company to Purchase Shares

(a) Where

(i) a shareholder is entitled to vote on the exercise of one or more of the powers set out in:

(A) clause 11.2 (a) alteration to constitution and the proposed alteration imposes or removes a restriction on the activities of the company; or

(B) clause 11.2 (b) or (c) (major transaction or an amalgamation); and

(ii) the shareholders resolve to exercise the power; and

(iii) the shareholder casts all the votes attached to shares registered in the shareholder's name and having the same beneficial owner against the exercise of the power; or

(iv) the resolution to exercise the power was passed under section 103 of the Act and the shareholder did not sign the resolution,

That shareholder is entitled to require the company to purchase under those shares in accordance with section 92 of the Act. [Section 99 of the Act].

(b) Within twenty (20) working days of receiving a notice from a shareholder given under clause 11.4 (a) the board must:

- (i) agree to buy the shares of the shareholder giving the notice; or
 - (ii) arrange for some other person to buy the shares; or
 - (iii) apply to the Court under section 95 or section 96 of the Act ;or
 - (iv) arrange ,before taking the action concerned ,for the special resolution entitling the shareholder to give the notice to be rescinded by a special resolution, or decide in the appropriate manner not to take the action concerned ;and
 - (v) give written notice to the shareholder of the board's decision under this clause.
- (c) Where the board agrees, pursuant to clause 11.4(b)(i) to purchase the shares it must comply with section of the Act.[Section 92 and 93 of the Act].

11.5 Shareholder Proposals

- (a) A shareholder may give written notice to the board of a matter the shareholder proposes to raise for discussion or resolution at the next meeting of the shareholder at which the shareholder is entitled to vote.
- (b) If the notice is received by the board not less than 20 working days before the last day on which notice of the relevant meeting of shareholders is required to be given by the board, the board must at the expense of the company, give notice of the shareholder proposal and text of a proposed resolution to shareholders entitled to receive notice of the meeting.
- (c) if the notice is received by the board not less than 5 working days and not more than 20 working days before the last day on which notice of the relevant meeting of shareholders is required to be given by the board, the board must, at the expense of the shareholder, give notice of the shareholder proposal and the text of any proposed resolution to all shareholders entitled to receive notice of the meeting.
- (d) if the notice is received by the board less than 5 working days before the last day on which notice of the relevant meeting of shareholders is required to be given by the board, the board may, if practicable, and at the expense of the shareholder ,give notice of the shareholder proposal and the text of any proposed resolution to all shareholders entitled to receive notice of the meeting.
- (e) If the directors intend that shareholders may vote on the proposal by proxy or by postal vote, they must give the proposing shareholder the right to include in or with the notice by the board

- a statement of not more than 1000 words prepared by the proposing shareholder in support of the proposal, together with the name and address of the proposing shareholder.
- (f) The board is not required to include in or with the notice given by the board a statement prepared by a shareholder which the directors consider to be defamatory, frivolous, or vexatious.
 - (g) Where the costs of giving notice of the shareholder proposal and the text of any proposed resolution are required to be met by the proposing shareholder, the proposing shareholder must, on giving notice to the board, deposit with the company or tender to the company a sum sufficient to meet those costs.

12. MEETINGS OF SHAREHOLDERS

12.1 Annual Meeting

- (a) The board must, in accordance with section 101 of the act (annual meetings of shareholders),call an annual meeting of shareholders to be held:
 - (i) once in each calendar year (other than in the year of its incorporation);
 - (ii) not later than 6 months after the balance date of the company; and
 - (iii) Not later than 15 months after the previous annual meeting , or in respect of its first annual meeting, or in respect of its first annual meeting not later than 18 months after its date of incorporation.

12.2 Special Meetings

A special meeting of shareholders entitled to vote on an issue:

- (a) May be called at any time by the board or a person who is authorized by the constitution to call the meeting ;and
- (b) Must be called by the board on the written request of shareholders holding not less than 5 percent of the votes entitled to be cast on the issue.[Section 102 of the Act]

12.3 Resolution in Lieu of Meeting

- (a) Subject to clause 12.3 (c)a resolution in writing signed by not less than 75 percent of the shareholders who together hold not less than 75 percent of the votes entitled to be cast on that resolution, is as valid as if it had been passed at a meeting of those shareholders.
- (b) A shareholder's resolution lieu of meet in may consist of several documents in like form, each signed by one or more shareholders. A facsimile of any such signed resolution shall be as valid and effectual as the original signed documents with effect from completion of its transmission.
- (c)A resolution pursuant to section 109(2)of the Act to not appoint an auditor may be passed as provided in clause 12.3 (a) provided that the resolution must be signed by all the shareholders entitled to vote on the resolution.
- (d)With 5 working days of a resolution being passed under this clause the company must send a copy of the resolution to every shareholder who did not sign the resolution or on whose behalf the resolution was not signed .[Section 102 of the Act].

12.4 Chairperson of Meeting of Shareholders

(a) If the directors have elected a chairperson of the board and that chairperson is present at a meeting of shareholders he or she may chair the meeting.

(b) If no chairperson of the board has been elected, or if at any meeting of shareholders the chairperson of the board is not present within 15 minutes of the time appointed for the commencement of the meeting, the directors present shall elect one of their numbers to be chairperson of the meeting. If at any meeting no director is willing to act as chairperson, or if no director is present within 15 minutes of the time appointed for holding the meeting the shareholders present shall choose one of their numbers to be chairperson of the meeting.

12.5 Shareholders Entitled to Notice of Meeting

(a) The shareholders entitled to receive notice of a meeting of shareholders are the shareholders of the relevant class:

(i) if the board has fixed a date for the purpose of establishing an entitled to receive notice ,those shareholders whose names are registered in the register on that date; or

(ii) if the board does not fix a date for the purpose of establishing an entitled to receive the notice of meeting ,those shareholders whose names are registered in the register at the close of business on the day immediately preceding the day on which the notice is given.

(b) A date fixed by the board under clause 12.5(a)(i) must not precede by more than 30 working days nor less than 10 working days the date on which the meeting is to be held.[Section 106(1) and (2) and (4) of the Act].

12.6 Notice of Meeting

Written notice of the time and place of a meeting of shareholders must be sent to every shareholders must be sent to every shareholder entitled to receive notice of the meeting, and to every director and the auditor of the company ,not less than 10working days before the meeting.

12.7 Contents of Notice

The notice referred to in clause 12.6 must state:

- (a) The nature of the business to be transacted at the meeting in sufficient detail to enable a shareholder to form a reasoned judgment in relation to it; and
- (b) the text of any resolution to be submitted to the meeting; [Clause 2 of the First Schedule to the Act].
- (c) if the directors resolved pursuant to clause to clause 13.4 that shareholders may cast a postal vote the postal address to which postal votes may be sent and the name of office of the person to whom they be sent; [clause 5 of the Second Schedule to the Act].

- (d) if the directors resolve pursuant to clause 13.4 that shareholders may cast a postal vote that the postal vote must be received by the person referred to in paragraph (c) at least 48 hours prior to the time of the meeting.

12.8 Irregularities in Notice.

An irregularity in a notice of a meeting is waived if all the shareholders entitled to attend and vote at the meeting, attend the meeting without protest as to the irregularity, or if all such shareholders agree to the waiver.

12.9 Method of Holding Meeting.

A meeting of shareholders may be held either.

By a number of shareholders, who constitute a quorum, being assembled together at the place, date and time appointed for the meeting, or By means of audio, or audio and visual, communication by which all shareholders participate and constituting a quorum, can simultaneously hear each other throughout the meeting. [Clause 3 of the Second Schedule to the Act.]

12.10 Adjournments.

If a meeting of shareholders is adjourned for less than 30 days it is not necessary to give notice of the time and place of the adjourned meeting other than by announcement at the meeting which is adjourned. [Clause 3 of the Second Schedule to the Act].

12.11 Minutes

The Board must ensure that full and accurate minutes are kept of all proceedings at meeting of shareholders.

Minutes which have been signed correct by the chairperson of the meeting are prima facie evidence of the proceedings. (Clause 7 of the Second Schedule to the Act).

13. VOTING AT MEETINGS

13.1 Quorum

A quorum for a meeting of shareholders is present if those shareholders or their proxies who are present or who have cast postal votes are between them able to exercise a majority of the votes to be cast on the business to be transacted by the meeting.

No business may be transacted at a meeting of shareholders if a quorum is not present.

If a quorum is not present within 30 minutes after the time appointed for a meeting:
in the case of a meeting called pursuant to a requisition of shareholder under clause 12.2 (b) the meeting is dissolved;

in the case of any other meeting, the meeting is adjourned to the same day in the following week at the same and place, or to such other date, time, and place as the directors may appoint, and if at the adjourned meeting a quorum is not present within 30 minutes after the time appointed for the meeting, the shareholders present or their proxies are a quorum [clause 4 of the Second Schedule to the Act].

13.2 Voting.

- (a) In the case of the meeting of shareholders held under clause 12.9 (a) unless a poll is demanded, voting at the meeting shall be by whichever of the following methods is determined by the chairperson of the meeting:
 - (i) voting by voice; or
 - (ii) voting by show of hands
- (b) In the case of a meeting of shareholders held under clause 12.9 (b) unless a poll is demanded, voting at the meeting shall be by the shareholders signifying individually their assent or dissent by voice.
- (c) A declaration by the chairperson of the meeting that a resolution is carried by the requisite majority is conclusive evidences of that fact unless a poll is demanded in accordance with clause 13.2 (d)

At a meeting of shareholders a poll may be demanded by:

- (i) the chairperson; or
- (ii) a shareholder present in person or by proxy.
- (e) A poll may be demanded either before or on the declaration of the result in accordance with clause 13.2 (c)
- (f) If a poll is taken, votes must be counted according to the votes attached to the shares of each shareholder present in person or by proxy and voting.
- (g) The chairperson of a shareholders meeting is not entitled to a casting vote.
[Clause 5 of the Second Schedule to the Act].

13.3 Proxies and Representative

A shareholder may exercise the right to vote either by been present or by proxy.

A proxy of a shareholder is entitled to attend and be heard and vote at a meeting of shareholders as if the proxy were the shareholder.

A proxy must be appointed by notice in writing signed by the shareholders and the notice must state whether the appointment is for a particular meeting or a specified term not exceeding 12 months.

Not proxy is effective in relation to a meeting unless a copy of the notice of appointment is produced before the start of the meeting. [Clause 6 of the Second Schedule to the Act].

A body corporate which is a shareholder may appoint a representative to attend a meeting of shareholder on its behalf in the same manner as that in which it could appoint a proxy. [Clause 10 of the Second Schedule to the Act].

13.4 Post Votes.

- (a) A shareholder may exercise the right to vote at a meeting by casting a postal vote in accordance with the provisions of this clause if the directors prior to giving notice of that meeting have resolved that shareholders may exercise the right to vote at that meeting by casting a postal vote in accordance with the provisions of this clause.
- (b) The notice of a meeting at which shareholders are entitled to cast a postal vote must state the name of the person authorized by the board to receive and count postal votes at the meeting.
- (c) If no person has been authorized to receive and count postal votes at a meeting, or if no person is named as being so authorized by the notice of the meeting, every director is deemed to be so authorized
- (d) If the directors resolve that shareholders may exercise the right to vote by casting a postal vote then a shareholder may cast a postal vote on all or any of the matters to be voted on at the meeting by sending a notice of the manner in which his or her shares are to be voted to a person authorized to receive and count postal votes at that meeting. The notice must reach that person not less than 48 hours before the start of the meeting.
- (e) It is the duty of the person authorized to receive and count postal votes at a meeting;
 - (i) to collect together all postal votes received by him or her, or by any other authorized person, or by the company; and
 - (ii) In relation to each resolution to be voted on at the meeting, to count:
 - (A) the number of shareholders voting in favour of the resolution and the number of votes cast by each shareholders in favour of the resolution, and
 - (B) the number of shareholders voting against the resolution, and the number of votes cast by each shareholders against the resolution.

- (iii) to sign a certificate that he or she has carried out the duties set out in paragraphs (ii) of this clause and which sets out the results of the counts required by paragraph (ii) of this clause, and
 - (iv) to ensure that the certificate required by paragraph (iii) of this clause is presented to the chairperson of the meeting.
- (f) If a vote is taken at a meeting or a resolution on which postal votes have been cast, the chairperson of the meeting.
- (i) On a vote by show of hands, count each shareholders who has submitted a postal vote or against the resolution.
 - (ii) on a poll, count the votes cast by each shareholders who has submitted a postal vote for or against the resolution.
- (g) The chairperson of a meeting must call for a poll on a resolution on which the chairperson holds sufficient postal votes that if a poll were taken the result could differ from that if a poll were taken the result could differ from that obtained on shows of hands.
- (h) The chairperson of a meeting must ensure that a certificate of postal votes held by the chairperson is annexed to the minutes of the meeting. [Clause 5 and 7 of the Second Schedule to the Act].

13.5 Votes of Joint Holders

Where 2 or more persons recorded in the register as the holder of a share the vote of the person named first in the register and voting on a resolution will be accepted to the exclusion of the votes of the other joint holders. {Clause 10 of the Second Schedule to the Act}.

13.6 Unpaid Calls

If a sum due to the company in respect of a share has not been paid, that share may not be voted a shareholder's meeting other than at a meeting of an interest group. [Clause 11 of the Second Schedule to the Act].

14. APPOINTMENT AND REMOVAL.

14.1 Number of Directors

The minimum and maximum number of directors may be determined from time to time by the board, and unless so determined, the minimum number shall be ⁹ and the maximum shall be ⁹ nine.

14.2 Appointment of Directors by Ministers.

Whilst the Minister hold the majority shares in the Company, Minister in consultation with the Prime Minister of the State shall, at any time (except during the period from the opening to the closing of a meeting of Shareholders) appoint any persons as a Directors (but not as a Alternate Director). The Minister shall appoint a Director in pursuance of this clause as follows.
one director from the Department of Treasury and Finance being from the Commercial Investments Division of that Department.

one director from the Department of Agriculture and Livestock being from the Investment Division of that Department.

one director from the private sector having business connect with the livestock industry and being a representative of the financial services sector of bankers, accountants, lawyers but not the account or auditor for the time being of the Company; and

two directors from the sector having business connected the Livestock industry. If the Minister ceases to hold shares in the Company then the board may appoint any person as a Director upon the same terms and conditions contained in this clause.

14.3 Appointment and Removal by Shareholders. / Directors

- (a) the directors of the company shall be such person or persons as may from time to time be appointed either by the Directors of the Company in consultation with the Ministers by ordinary resolution or by the shareholders by ordinary resolution or by notice in writing to the company so that the total number of directors shall not at any time exceed the maximum number, if any fixed pursuant to clause 14.1. Hereof. Every director shall hold office subject to the provisions on this Constitution and may at any time be removed from office by ordinary resolution of the shareholders or by notice in writing to the company signed as aforesaid by ordinary resolution esquire any director's appointment to be voted on individually.
- (b) a notice given under clause 14.3 (a) takes effect upon receipt of it at the registered officer of the company (including the receipt of a facsimile copy) unless the notice species a later time at which the notice will take effect. The notice may comprise one or more similar document separately signed by shareholders giving the notice.
- (c) Where is proposed to remove a director by ordinary resolution of the shareholders a notice must be given stating that the purpose of the meeting is the removal of the director. [Section 134 of the Act].
- (d) A director holds office until his or her retirement, disqualification or removal in accordance with this constitution.

14.4 Disqualification and Removal.

A person will be disqualified from holding the office of director if he or she:

- (a) Is removed under clause 14.3; or
- (b) resigns in writing; or
- (c) becomes disqualified from being a director pursuant to section 151 of the Act, or

- (d) is prohibited from being a director or promoter of or being concerned with or taking part in the management of a company under section 382 or section 385 of the Act, or
- (e) dies; or
- (f) attains or over the age of 70 years; or
- (g) is under 18 years of age; or
- (h) is undercharged bankrupt.

14.5 **Shareholding qualification.**

A director is not required to hold shares.

14.6 **Alternate Directors**

- (a) Subject to the prior approval of a majority of the other directors or alternate or substituted directors every director may by notice given in writing to the company, appoint any person (including any other director) to act as an alternate director in the director's place either generally or in respect of a specified meeting or meetings and at the director's direction by notice in writing to the company, remove the director's alternate director. On any such appointment being made the alternate director may, while acting in the place of the director, represent, exercise and discharge all the powers, rights, duties and privileges (but not including of acting as chairman) of the director appointing the alternate director and is subject in all respects to the same terms and provisions as that directors except as regards remuneration and except as regards the power to appoint an alternate directors under this constitution. For the purpose of establishing a quorum of the board an alternate director is deemed to be the director appointing him or her.
- (b) The notice of appointment of an alternate director should include an address for services of notice of meetings of directors. Failure to give an address will not invalidate the appointment but notice of meeting of the board need not be given to the alternate director until an address is provided to the company.

15. **DIRECTORS' REMUNERATION.**

15.1 **Fees of non – executive Directors and Directors**

If the company is Listed, the fees of the Directors (excluding the Chairman):

- (a) may not in any period of 12 months starting at the end of a financial year of the Company (a "year") exceed in aggregate the amount last fixed before the end of that year for those fees by ordinary resolution (which, if the Listing Rules so require, must be a fixed sum);
- (b) are to be allocated to those Directors determined by the Board (including those Directors) or if there is no such determination in any year, equally between them; and
- (c) accrue from day to day, however, this clause does not restrict the ability to participate in any issue of Shares, options to subscribe for Shares or rights to Shares pursuant to

clause 2 and any benefits derived by Directors from such participation shall not be regard as fees.

15.2 Additional remuneration of extra services.

If either a Director officer or non-executive Director representing the Department responsible for Agriculture and Livestock matters or the head of an agency of the agriculture sector having been requested to do so by the Board or the Minister either performs extra services or makes any special exertions for the Company (including, without limitation, going living abroad or performing duties as Executive Chair of the Company or secretarial duties), the Company shall remunerate that Director or officer by the payment of a fixed sum demined by the Board that remuneration shall be in addition to any remuneration to which that Director or officer may be entitled under clause 15.1 or in addition to his substantive position of which he is the director on the Board and shall be effective from the date of their appointment.

15.3 Expenses of Directors

The Company must pay a Director (in addition to any other remuneration) all reasonable expenses including, without limitation, any travelling and accommodation expenses incurred by the Director.

- (a) in attending meetings of the Board or a committee of the Board
- (b) on the business of the Company, or
- (c) in carrying out that Director's duties as a Director

16. DIRECTORS MATERIAL INTERESTS AND DITIES

16.1 Definition of Material Interest.

"Material Interest" means for the purpose of this clause 16 in relation to a Director but subject to clause 16.6, any interest (other than an interest in relation to which the Act provides that a director is not, or is not to be taken to be, interested including, without limitation, an interest to which section 117(2) applies which:

- (a) would result in the Director being " interested" for the purpose of section 117(1) of the Act, or
- (b) if the Company is listed, is an interest as a result of which the Listing Rules require that the Director dose not vote on a resolution of the Board.

16.2 Consequence of Material Interest.

Where a Director who has a Material Interest acts as Director in a matter involving that Material Interest and either.

- (a) the Director has not complied with the Act and in particular section 118, or
 - (b) The Director has complied with the Act in particular section 118, or Board has determined that Director should not exercise a power in relation to the matter.
- If the Director exercise or purports to exercise that power the Director is in the breach of his or her duty to the Company.

16.3 Powers of Directors with Material Interest.

Where-

- (a) a Director has a Material Interest;
- (b) the Director has complied with the Act and in particular section 118, and
- (c) the Listing Rules permit,
then, unless the Board otherwise determines, the Director may exercise any or all of the powers referred to in section 122.

16.4 Voting restrictions

Where the Board is considering whether a Director should not exercise any or all of the powers referred to in section 122, the Director may not cast any vote in relation to the determination and if the Director does purport to vote on that determination, that vote must be disregarded but the Director, if present, may continue to be counted in the quorum for the Board meeting considering that determination unless the Act or the Listing Rules that the Director not be present.

16.5 Director may hold office of Company.

The Company may appoint a Director

- (a) to hold any office in, or place of profit in respect of, the Company (except that of Auditor) on terms determined by the Board but not so that the remuneration payable to any Director who is an employee of the Company or a related company of the Company includes a commission or percentage of operating revenue, or
- (b) alone or by a firm of which the Director is a member, to act in any professional capacity and the Director or that firm may be remunerated for so action as if the Director were not a Director.

16.6 Application to Alternate Directors.

The provision of this clause 16 apply to the Material Interest of an Alternate Director, but an alternate Directors does not have a Material Interest solely by reason of the fact that the Director who has appointed the Alternate Director has a Material Interest and vice versa.

16.7 Director duties – wholly owned subsidiary

Where the Company is a wholly owned subsidiary of another company each Director may, when exercising power or performing duties as a Director, act in a manner which the Director believes is in the best interest of the Company holding even though it may not be in the best interest of the Company.

16.8 Director duties – other subsidiaries

Where:

- (a) the company is a subsidiary , but not wholly owned subsidiary, or another company; and
- (b) the Shareholders, other than the holding company, have given their prior agreement,

each Director may, when exercising powers or duties as a Director, act in a manner which the Director believes is in the best interest of the Company's holding company or another company within the same group of companies even though it may not be in the best interests of the Company.

17. MANAGEMENT DIRECTOR AND OTHER EXECUTIVE DIRECTORS

17.1 Appointment of Managing Director

Whilst the Minister holds the majority share in the Company, the Minister shall from time to time appoint one of the Directors to be the Managing Director either for a fix term (but not for life) or without fixing a term and on any terms and conditions that he determines. If the Minister ceases to hold shares in the Company then the Board may appoint one of the Directors to be the Managing Director upon the same terms and conditions contained in this clause.

17.2 Termination of appointment of Management Director

The appointment of the Managing Director terminates if:

- (a) the Managing Director ceases for any reason to be a Director; or
- (b) the Board revokes the appointment (which this paragraph empowers it to do)

17.3 Remuneration of Directors

The Board may recommend to the Minister for his approval the remuneration of each Director and that remuneration may comprise or all of:

- (a) Salary;
- (b) Commission on profits or Dividends, or
- (c) Participation in profits,
- (d) But if the company is Listed (if the Listing Rules do not allow), must not include:
 - (e) a commission on or percentage of operation revenue, or
 - (f) Directors fees,

17.4 Participation in Share Issues,

Clause 17.3 does not restrict the ability of Directors to participate in an issue of Shares, options to subscribe for Shares or rights to Shares pursuant to clause 2 and any benefits derived by Directors from such participation shall be regarded as remuneration.

17.5 Powers of Executive Directors

Subject to the Act and in particular section 111, the Board may from time to time and upon any terms and conditions and subject to any restrictions that it considers appropriate.

- (a) confer on a Director any or all of the powers of the Board (which powers may be conferred so as to be concurrent with, or to the exclusion of, the powers of the Board); and
- (b) withdraw or alter any of those powers.

18. POWERS AND DUTIES OF THE BOARD.

18.1 Powers generally

Except as otherwise required by the Act, in particular section 110, any other applicable law or another provision of this constitution

- (a) the business and affairs of the Company shall be managed by, or under the directions or supervision of, the Board, and
- (b) the Board has all the necessary powers for managing, and for directing and supervising the management of, the business and affairs of the Company,

to the exclusion of any meeting of Shareholders and the Shareholders

18.2 Appointment of Attorney.

Subject to the Act, and in particular section 111, the Board by power of attorney may appoint any person to be an attorney of the Company for the purpose, with the powers (being powers of the Board), for the period and subject to the conditions determined by it.

18.3 Contents of power of attorney.

A power of attorney under clause 18.2 may, without limitation.

- (a) Contain any provision for the protection and convince of persons dealing with the attorney as the Board determines; and
- (b) authorize the attorney to delegate any or all of the powers vested in the attorney.

19. PROCEEDINGS OF THE BOARD.

19.1 Mode of meeting

The Board may meet in person or by telephone or other instantaneous means of conferring for the dispatch of business (or by any combination of those means) which allows each person present to hear and be heard by each other person present and adjourn and otherwise regulate its meeting as it determines.

19.2 Quorum

The Board may determine the quorum of Directors present at a meeting of the Board necessary for the transaction of business at the meeting which number, until otherwise determined, is three with at least one Government representative and for the purposes of this clause and clauses 19.4 and 19.10, a Director is treated.

- (a) as present at the meeting by telephone or other instantaneous means of conferring if the Director is able to hear the entire meeting and be heard by all others attending the meeting; and
- (b) As not being present at the meeting if that Director is not permitted to be present at it by the Act, the Listing Rules or clause 18.

19.3 Notice of meeting.

Notice of each meeting of the Board:

- (a) must be given to each Director (and each Alternate Director in respect of whom the appointer has giving notice to the Company requiring notice to be given to that Alternate Director);and.
- (b) may be given by telephone number or facsimile message,

but not-receipt of any notice of a Board meeting by a Director does not affect the validity of the convening of the meeting.

19.4 Place of meeting.

Where the Board holds a meeting solely or partly by telephone or other instantaneous means of conferring, the meeting is to be treated as held at the place as which at least one of the Directors present at the meeting is physically located as is agreed by those Directors present at the meeting.

19.5 Period of notice

The Board may determine the period of notice (unless waived by a majority of the Directors to whom notice of a particular meeting is sent) for each meeting of the Board which, until otherwise determined, is 24 hours.

19.6 Convening of Board of Chairman.

A Director may at any time, and the Secretary must on request from Director, convene a meeting of the Board.

19.7 Appointment of Chairman

Whilst the Minister holds any share in the Company, the Minister shall nominate one of the Directors to be Chairman and may nominate to be Deputy chairman and may determine the period for which each of those Directors is to hold that office. If the Minister ceases to hold shares in the company then the Board may elect a Chairman on the same terms and conditions contained in this Clause.

19.8 Chairman of Board meetings.

Where the Board Holds a meeting and:

- (a) has not appointed a Chairman under clause 19.7 or the Deputy chairman is not present within 15 minutes of the time appointed for the holding of the meeting or is unwilling or unable to act.
- (b) has not appointed a Deputy Chairman under clause 19.7 or the Deputy chairman is not present within 15 minutes of the time appointed for the holding of the meeting or is unwilling or unable to act,

the Directors present at the meeting may choose one of their number to be chairman of that meeting.

19.9 Majority decisions.

Every questions and resolution dealt with at a meeting of the Board is to be decided by a majority of votes of the Directors who are entitled to be present and to vote and who vote on the question resolution.

19.10 Votes of Directors

Subject to this constitution.

- (a) each Director (other than a person who is only a Director by reason of being an Alternate Directors) present at a meeting of the Board has one vote on every questions or resolution at that meeting.
- (b) each alternate Director entitled to be present and to vote at the meeting has one vote for each Appointer in respect of which the Alternate Directors is present which, in the case of an alternate Director by payable (a);
- (c) subject to paragraph (d), if there is an equality of votes on any question or resolution, the chairman of the meeting, if entitled to vote the question or resolution, may exercise a casting vote in addition to the vote conferred on that Director may have, and
- (d) if the Company is Listed and the Listing Rules so require, where the Board determines under clause 19.2 that the number of Directors who constitute a quorum is two, the chairman of the meeting at which only two Directors are present, or at which only two Directors are entitled to vote on a question or resolution put at that meeting does not have a casting vote.

19.11 Exercise of powers by Board.

A power of the Board, unless it has been conferred exclusively under clause 19.5 or delegated exclusively to a committee of the Board under clause 19.12, is exercisable only:

- (a) by resolution at a meeting on the Board at which a quorum is present; or
- (b) By a resolution of the Directors under clause 19.14

19.12. Delegation by the Board.

- (a) the board may delegate to a committee of directors, a director, or an employee of the company or any other person any one or more of its powers other than the powers referred to in the follow sections of the Act:
 - (i) section 24 (1)(c) change of company names);
 - (ii) section 42 (issue of shares);
 - (iii) section 44 (shareholder approval to the issue of shares);
 - (iv) section 47 (consideration for the issue of hares);
 - (v) section 50 (distributions);
 - (vi) section 52 (shares in lieu of dividends);
 - (vii) section 53 (shareholders discounts);
 - (viii) section 56 (offers to acquire shares);
 - (ix) section 57 (special officers to acquire shares);
 - (x) section 60 (redemption of shares at the option of the company);
 - (xi) section 61 (special redemption of shares);
 - (xii) section 63 (provision of financial assistance);
 - (xiii) section 65 (transfer of shares);
 - (xiv) Section 162 (change of registered office).
 - (xv) Section 167 (change of address for service);
 - (xvi) Section 233 (manner of approving an amalgamation proposal);
 - (xvii) Section 235 (short form amalgamations). [Section 111 of the Act].
- (b) The board is responsible for the exercise by any delegate of a power delegated under this clause 16.2 as if the power had been exercised by the board, unless the board.
 - (i) Believed on reasonable grounds at all times before the exercise of the power that the delegate would exercise the power in conformity with the duties imposed on the directors by the Act and this constitution; and.
 - (ii) Has monitored by means of reasonable methods properly used, the exercise of the power by the delegate. [Section 111 of the Act]

19.13 Directors to Act in Good Faith.

- (a) A Director, when exercising powers or performing duties, must act in good faith and in what the director believes to be the best interest of the company.

- (b) If the company is a subsidiary (but not a wholly – owned subsidiary) a director may when exercising powers or performing duties as a director within the prior agreement of the shareholders (other than its holding company); act in a manner which he or she believes is in the best interests of the company's holding company even though it may not be in the best interest of the company.
- (c) Nothing in this clause 16.3 limits the power of a director to make provision for the benefit of employees of the company in connection with the company ceasing to carry on the whole or part in its business. [Section 112 of the Act].

19.14 Delegation to committee

Subject to the Act in particular to Section 111, the Board may delegate any of its powers (which powers of the Board) to a committee consisting of at least one Director, and which may also include any other persons determined by the Board.

19.15 Committee powers and meetings.

Where the Board has appointed a committee under clause 19.12;

- (a) That committee must exercise the powers delegated to it under clause 19.12 in accordance with any directions of the Board.
- (b) a power so delegated when exercised by the committee in accordance with clause 19.13 (a) in treated as exercise by the Board.
- (c) the members of the committee may elect a chairman from among the members,
- (d) where a committee holds a meeting and:
 - (i) has not elected a chairman under clause 19.13 (c); or
 - (ii) the chairman so elected is not present at the meeting within 15 minutes of the appointed for holding of the meeting or is unwilling or unable to act the members of the committee present at the meeting may choose one of their number to be chairman of the meeting'
- (e) the committee may meet in person or by telephone or other instantaneous means of those means) and adjourn and otherwise regulate its meetings as it may determine, and
- (f) the committee meetings are otherwise governed to the greatest extend practicable by the provision of this constitutions which regulate the meetings and procedures of the Board.

19.16 Several Documents suffice.

For the purpose of clause 19.14;

- (a) two or more separate documents in identical terms each of which is signed by one or more Directors are treated as one document.

- (b) the signature by the Alternate Director of a document is not required if that Alternate Director has signed document,
- (c) the signature by the Appointer of the an Alternate Director of a document is not required if that Alternate Director has signed the document, and
- (d) A telex, telegram or facsimile message containing the text of the document express to have been signed by a Director and send to the company is a document signed by that Director and send to the Company is a document signed by that Director at the time of its receipt by the Company.

19.17 Validity of acts of Directors

Each resolution passed or act or thing performed or done by, or with the participation of, a person acting as Director or member of a committee in respect of whom it is later discovered there was some defect in appointment to, or continuation in, office of that person or that the person was disqualified or not entitled to perform, vote on or off committee has been validly appointed, had validly continued in office, has not been disqualified and was entitled so to perform, vote or do.

19.18 Other Procedures

Except as provided in this clause 19, the Board may determine its own procedures.

19.19 Fourth Schedule not to apply

Except to the extent that any such provision may be expressly adopted in this constitution, the provisions of the Fourth Schedule to the Act shall not apply to proceedings of the Board.

19.20 Unanimous Resolution.

- (a) A resolution in writing, signed or assented to by all directors then entitled to receive notice of a board meeting, is as valid and effective as if it had been passed at a meeting of the board duly convened and held.
- (b) Any such resolution may consist of several documents (including facsimile or other similar means of communication) in like form each signed or assented to by one more directors.
- (c) A copy of any such resolution must be entered in the minute book of board proceedings.
- (d) A director of the company may be or become a director or other officer or, or otherwise interested interest in, any company promoted by the company or in which the company or in which the company may be interested as Shareholder or otherwise, and no such director shall be accountable to the company for other wise, and no such director shall be accountable to the company for any remuneration or other interested as shareholder or otherwise for any remuneration or other benefits received by him or her as a director or officer of, or from his her interest in, any such other company unless the company otherwise directs or the law requires.

19.22 Notice of Interest to be given.

- (a) A director must, directors must forthwith after becoming aware of the fact that she is interested in a transaction or proposed transaction with the company cause to be cause to be entered in the interests register, and, if the company has more than one director, disclose to the board of the company.
- (b) For the purpose of clause 18.3 (a) a general notice entered in the interests register or disclosed to the board to the effect that a director is a shareholder, director, officer or trustee of another named company or other person and is to be regarded as interested in any transaction which may, after the date of the entry or disclosure, be entered into with that company or person, is a sufficient disclosure of interest in relation to that transaction. (Section 140 of the Act).

20. SECRETARY

20.1 The Board may on the recommendation of the Executive chairman:

- (a) appoint any person to be a Secretary of the Company;
- (b) determine the term of appointment, powers, duties remuneration of that person as a Secretary;
- (c) Vary any determination so made; and
- (d) Terminate or suspend any appointment of a person as a Secretary.

21. COMPANY ADMINISTRATION.

21.2 Minutes to be made.

The Board must cause minutes to be made of:

- (a) the names of the Directors present at each Board meeting;
- (b) the names of the committee members present at each meeting of a committee appointed under clause 19.12.
- (c) the proceedings and resolution of each meeting of Shareholders;
- (d) the proceedings and resolution of each Board meeting; and

- (e) The proceedings and resolutions of each meeting of a committee appointed under clause 19.2

21.2 Minutes to be entered

The Board must cause all minutes made under clause 21.1 to be entered in the relevant minute book of the Company.

21.3 Signature of minutes.

The minutes of a meeting made under clause 21.1, if appearing on their face to be signed by the chairman of the meeting or the chairman of the next succeeding meeting of the relevant body, are sufficient but (except where this constitution otherwise provides) not conclusive evidence without proof of any further facts of the matters stated in them.

21.4 Custody of common Seal.

The Board must provide for the safe custody of the Common Seal.

21.5 Use of the common Seal.

The Common Seal may only be used with the authority of either:

- (a) a Director; or
- (b) a committee appointed under clause 19.12 empowered to authorize the use of the Common Seal.

21.6 Model of execution by common Seal.

An instrument is validly executed under the Common Seal where the Common Seal is affixed to it in the presences of:

- (a) a Director; and
- (c) another person who is either a Director, Secretary or person appointed by the Board for the purpose,

and each of those persons signs the instrument to attest the affixing of the Common Seal.

21.7 Official Seal.

The Company may have, for use in any place outside Papua New Guinea a duplicate common seal (known as the Official Seal for that place) which shall be a facsimile of the Common Seal but with the addition on its face of the place where it is to be used.

21.8 Authority to affix an Official Seal.

The Company may by instrument under the Common Seal authorize any person either generally or in specified circumstances to affix the Official Seal or a particular place in that place to any instrument to which the Company is a party and determine any manner required for the affixing by that person of that official Seal in the place.

21.9 Effect of Official Seal

Where an official Seal is affixed to an instrument in the place to which it relates by a person authorized and in the circumstances authorized for that person under clause 21.8 in the manner described in clause 21.8 (if any), that instrument is to be treated for all purpose as having been validly executed under the Common Seal.

21.10 Execution of bills and cheques.

All cheques, bills of exchange and other negotiable instruments, all orders for payment and all receipts for money paid to the company, may only be signed for and on behalf of the Company in the manner (which may include the use of facsimile signatures) determined, and the persons appointed for the purpose, by the Board from time to time.

22. DIVIDENDS AND OTHER DISTRIBUTORS.

22.1 Declaration of Dividends.

Subject to the Act and in particular section 50, the Board may authorize the distribution of a Dividend to be distributed to the Shareholders according to their respective rights and interest, determine the property to constitute the Dividend and fix the time for distribution

22.2 No interest on Dividends.

No Dividends (whether in money or otherwise) bears interest as against the Company.

22.3 Obligation to distribute.

Where the board declares a dividend under clause 22. 1 the obligation o the Company to make the distribution only arises where the Board fixes the time for distribution and that time has arrived and if the Dividend is a distribution of money, no debts arises in respect of the Dividend until that time.

22.4 Payment of Dividend in specie.

Without limiting clause 22.1 but subject to section 52, where the Board authorize the distribution of a Dividend by a Distribution of money it may also decide that all or any part of that Dividend be paid and satisfied by the Distribution of specific assets (including, without limitation, paid up shares or other securities of the Company or of any other body corporate).

22.5 Share plans generally.

The Board may adopt and implement any number of plans or terms it determines by which a Shareholder may elect or receive Shares as, or instead of Dividends.

22.6 Kinds of share plans.

The plans which the Board may adopt and implement under clause 22.5 include (without limitation) plans under which future Dividends to be distributed as money to a Shareholder in respect of a Share is, if the Shareholder elects that the Share participate in the plan.

22.7 Powers concerning share plans.

The Board has all powers necessary or describes to implement and carry out fully any plan adopted by it under clause 22.5 and may (without limitation):

- (a) amend the terms of any plan as it considers desirable, and
- (b) Suspend for any period or terminate the operation of any plan as it considers desirable.

22.8 Calculation and apportionment.

Except to the extent that the terms of issue of a Share provide otherwise, each Dividend in respect of each Share must be distributed for a Share is (subject to clause 22.9) that calculated in accordance with the following formula:

$$D = \frac{T \times N}{C}$$

Where:

- D = the dividend to be distributed;
- T = the total of the property to be distributed in respect of all Shares whose entitlement is determined by this clause 22.8 (participating Shares);
- N = the aggregate of the amounts being for every day in the period for which the Dividend is paid (the relevant period), the fraction determined by dividing the greatest paid (not credited) on the Share by the total amounts paid or payable (excluding amounts credited) on the Share (the Numerator); and
- C = the aggregate of the Numerators for all the Participating Shares.

22.9 Amount paid on Shares.

For the purposes of clause 22.8, amount paid or credited as paid in advance of a call being made are not treated as having been paid up on the share.

22.10 Deductions from Dividends.

The Board may deduct from any Dividend which is a distribution of money payable to a Shareholder any money presently payable by the Shareholder to the Company in respect of which a lien then exists under clause 7.

22.11 Retention of Dividends.

Board may retain any Dividend in respect of which the Company has a lien and:

- (a) If the Dividend is a destruction of property other than money, realize that property so that it is respected by money, and
- (b) apply the Dividend in or towards the satisfaction of the debts or liabilities in respect of which the lien exists.

22.12 Settlement of difficulties.

The Board may settle any difficult that may arise in respect of any distribution under clause 22.1 to 22.11 (inclusive) as it consider desirable to adjust the rights of all parties and in particular, may (without limitation):

- (a) round or disregard any fractional entitlement ;
- (b) set the value of each asset to be disturbed ,
- (c) determine that money to be paid to any Shareholders instead of a particular distribution,
- (d) vest any property in trustees for any Shareholder; and
- (e) appoint a person to execute as agent or attorney on behalf of each Shareholder entitled to a Dividend to be distributed otherwise than as money any instrument of transfer or other document necessary to vest in the Shareholder full legal and equitable title to the property the subject of the Dividend.

22.13 Entitlement to Dividend pending registration.

Subject, in the case of a Market Transfer, to the Business Rules, the right to any Dividend declared on a Share does not pass until the transfer of that Share has been registered and the name of the transferee is entered in the Register.

22.14 Retention of transmit tee's Dividends.

the Company may retain any Dividend to be distributed in respect of a Share which is subject to clause 10.1 until the name of the person entitled to be registered under that clause is entered in the Register as the holder of that Share.

22.15 Joint holder's entitlement to Dividends.

Any dividend distributed as money may be paid:

- (a) by cheque;
- (b) If the Board approves, by deposit to the credit of the Shareholder in an account with a bank or other financial institution nominated in writing by the Shareholder; or
- (c) in any other manner agreed by the Company and the Shareholder.

22.17 Notification of Dividends.

Notification of any Dividends and the Dividend may be dispatched to the Shareholders through the post directed:

- (a) to the address of the Shareholder (or, in the case of a Share held by more than one person, the address of the first named of those joint holders) as shown in the Register, or.
- (b) to any other address that the Shareholder (or , in the case of share held by more than one person, all of those joint holders) directs in writing.

22.18 All Dividends declared but unclaimed may:

All Dividends declared but unclaimed may:

- (a) in the case of Dividends not to be distributed as money, be realized into money, and
- (b) in any case, be invested for the benefit of the Company until claimed or until required to be dealt with under any applicable law dealing with unclaimed money.

23. INDEMNITY AND INSURANCE

23.1 Indemnity of Directors and Employees

- (a) The Board may cause the company to indemnify a director or employee of the company or a related company for cost incurred by him or her in any proceeding:
 - (i) That relates to liability for any act or omission in his or her capacity as a director or employee, and

- (ii) In which judgment is given in this or her favour or in which her or she is acquitted, or which is discontinued
- (b) The board may cause the company to indemnify a director or an employee of the company or a related company in respect of:
 - (i) liability to any person other than the company or a related company for any act or omission in his or her capacity as a director or employee, or
 - (ii) costs incurred by the director or employee in defending or settling any claim or proceeding relation to or any liability under paragraph 23.1 (i) not being a criminal liability or liability in respect of a breach, in the case of a director, of the duty specified in section 112 of the Act (duty or act in good faith and in the best interest of company) or, in the case of any employee, of any fiduciary duty owed to the company or related company [Section 140 (4) of the Act].

23.2 Insurance of Directors and Employees

- (a) liability may, subject to section 140 of the Act, cause the Company to effect insurance for directors and for employees of the company or a related company in respect of:
 - (i) liability, not being criminal liability, for any act or omission in his or her capacity as a director or employee, or
 - (ii) costs incurred by directors or employees in defending or settling any claim or proceeding relation to any such liability, or
 - (iii) cost incurred by a director or employee in defending any criminal proceedings in which he or she is acquitted.\
- (b) The directors who vote in favour of authorizing the effecting of insurance under clause 23.2 (a) must sign a certificate stating that, in their opinion, the cost of effecting the insurance is fair to the company.
- (c) The board must ensure that particulars of any insurance effected for any director or employee of the company or related company are forthwith entered in the interest register [Section 140(7) of the Act].

23.3 Definitions

For the purpose of this clause 23 "director" includes a former director and "employee" includes of a former employee.

24. NOTICES

24.1 Services

Any document required to be served by or on the Company may be served in accordance with the provisions of the Act.

24.2 Notice to joint holders

Where more than one person holds a Share, a notice required or permitted to be given to the holder of that Share is effectively given when given to the person whose name first appears in the Register of the Share.

24.3 Notice when Shareholders dies.

Any notice of document given in accordance with the Act, notwithstanding that the Share in respect of which it is given is then subject to clause 10.1, is to be treated as validly given to each person entitled to be registered in respect of the Share and all person who claim through such person.

24.4 Binning of others

Any person entitled to a Share (whether by transfer, operation of law or otherwise) is to be treated as having duly received every notice in respect of that Share which was duly given to the person from whom that person derives that entitlement before the person entitled is entered in the Register as the holder of the Share.

24.5 Signature of notice.

The signature to any notice given by the Company may be written or affixed in any way.

24.6 Certificate of Director or Secretary

If a Director or Secretary Signs a certificate that a notice was given in the manner set out in the Certificate, that certificate is prima facie evidence of the accuracy of the matters set out in it.

25. INSPECTION AND SECRECY.

25.1 No right to inspect.

No Shareholder is entitled to require discovery of, inspection of, or any information concerning the affairs of the Company, except as provided by the Act or as permitted by the Board.

25.2 Board may permit inspection.

Subject to the Act, the Board may determine whether any of the books, accounts and other information of the Company is to be available for inspection by Shareholders and, if so the extent, time, place and conditions of inspection so permitted.

25.3 Obligation of secrecy

Except for disclosure made (either confidentially or not as the Board considers appropriate) to the Exchange as required by the Listings Rules, every office of the Company must:

- (a) keep strictly secret all transactions and affairs of, the accounts of and all information concerning the Company, and

- (b) if so required by the Board, sign a declaration accepting the obligation of secrecy and undertaking not to disclose any information within the officer's knowledge the subject of that obligation to any person, except in the proper course and performance of the officer's duties, as required by law or as required by the Board.

26. LIQUIDATION.

26.1 Power of Board

The Board may authorize the making of an application by the Company for the appointment by the Court of a liquidator to the Company.

26.2 Distribution if insufficient assets.

Subject to the terms of a share, if the Company is in liquidation and the assets available for distribution among the Shareholders (in that capacity) are insufficient to repay all the paid up capital, those assets will be distributed so that, to the greatest possible extent, the amount disturbed to a Shareholder in respect of each Share is proportional to the amount paid up (or which at the commencement of the liquidation ought to have been paid up) on that Share compared with the total paid up capital of the Company.

26.3 Distribution of surplus assets

Subject to the terms of issue of a Share, if the Company is in liquidation and after distribution of assets to repay paid up capital there remain assets available for distribution to the Shareholders (in that capacity), those assets will be distributed to that, to the greatest possible extent, the amount distributed to a Shareholder in respect of each Share is proportional to the amount paid up (or which at the commencement of the liquidation ought to have been paid up) on that Share compared with the total paid up capital of the Company.

27. MISCELLANEOUS.

27.1 Restricted Securities

If the Company is listed and has on issue any securities which are then restricted securities for the purpose of the Listing Rules ("Restricted Securities") notwithstanding any other provision of this constitution.

- (a) the Restricted Securities may not be disposed of except as permitted by the Listing Rules or by ASX;
- (b) the company must refuse to acknowledge a disposal of the Restricted Securities (including by registering a transfer of them) except as permitted by the Listing Rules or by ASX ; and.
- (c) if there is a breach of the Listing Rules in relation to restricted securities or of a restriction agreement in relation to any Restricted Securities ("defaulting restricted securities"), while that breach continues the Shareholder holding the defaulting restricted securities automatically ceases to be entitled to receive any Dividends or distributions or exercise any voting rights in respect of the defaulting restricted securities.

28. **AUDITOR**

- (a) Subject to 20.1 (b) the company must at each annual meeting appoint an auditor to:
 - (i) Hold office from the conclusion of the meeting until the conclusion of the next annual meeting, and
 - (ii) Audit the financial statement of the company and if the company is requested to complete group financial statements, for the accounting period next after the meeting.
- (b) The company need not appoint an auditor if at or before the annual meeting, a unanimous resolution is passed by the Company that no auditor be appointed. Such a resolution ceases to have effect at the commencement of the next annual meeting.

The document comprising pages numbered from 1-53 is certified as the constitution of **Livestock Development Corporation Limited**