

REPUBLIC OF BOTSWANA
COMPANIES ACT (CAP 42:01)
AS AMENDED
A COMPANY LIMITED BY SHARES

CONSTITUTION

OF

STANDARD CHARTERED BANK BOTSWANA LIMITED
(AS AMENDED BY SPECIAL RESOLUTION DATED [•])

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1. PRELIMINARY

The Regulations contained in Table "A" in the First Schedule to The Act shall not apply to this Company except so far as the same are repeated or contained in these regulations.

2. INTERPRETATION

2.1. IN the interpretation of this Constitution and unless inconsistent with the context:

- 2.1.1. the headings and marginal notes are for reference purposes only and shall not affect the construction or interpretation of this Constitution;
- 2.1.2. the words signifying the singular shall include the plural and vice versa;
- 2.1.3. words importing persons shall include companies and corporations;
- 2.1.4. words denoting a masculine gender shall include the feminine gender;
- 2.1.5. words defined in the Act shall have the meaning there assigned to them.

3. DEFINITIONS

3.1. IN this Constitution (if not inconsistent with the subject or context) the following words and expressions shall have the meanings assigned to them below and cognate expressions shall bear corresponding meanings:

- 3.1.1. **"the Act"** the Companies Act (Cap 42:01) as amended from time to time, or any statute or Act enacted in place or substitution thereof;
- 3.1.2. **"the Constitution"** the Constitution as originally framed or as changed, varied or altered from time to time by way of Special Resolution;
- 3.1.3. **"the Company"** Standard Chartered Bank Botswana Limited;
- 3.1.4. **"office"** the Registered Office of the Company;
- 3.1.5. **"register"** the Register of members of the Company which is to be maintained by the Company in terms of the Act;
- 3.1.6. **"transfer office"** the place where the Register is situate;

- 3.1.7. **"seal"** the common seal of the Company;
- 3.1.8. **"the Board"** the Board of Directors for the time being of the Company or the Directors present at a duly convened meeting of the Directors at which a quorum is present;
- 3.1.9. **"in writing"** written or produced by any substitute for writing or partly one and partly another;
- 3.1.10. **"paid"** paid or credited as paid, whether by cash or any other acceptable forum of consideration;
- 3.1.11. **"share"** a share or where the context so permits or requires, stock in the capital of the Company. The word "shareholder" shall be construed accordingly;
- 3.1.12. **"secretary"** any person appointed to perform the duties as secretary of the Company and shall include a deputy or assistant secretary and any person who may be appointed by the Directors to perform any of the duties of the secretary, deputy or assistant secretary, and of two or more persons are appointed to act as joint secretaries the word "secretary" shall include any one of these persons.

3.2. Reference to any provision of any statute shall be construed as a reference to any statutory modification or re-enactment thereof from time to time in time in force.

4. **BANKING ACT**

THE Company, its members and Directors shall at all times comply with and be subject to the provisions of the Banking Act No. 8 of 2023 of Botswana, the Bank of Botswana Act, and any regulations, directives or guidelines issued thereunder, as amended from time to time, and, in the event of the provisions of this Constitution being contradictory to or in conflict with the provisions thereof, the provisions of such legislation shall prevail.

5. **COMMISSION**

THE Company may pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Company,

or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company at any rate not exceeding five per centum of the price at which the said shares are issued. Such commission may be satisfied by payment in cash or by the allotment of shares, or partly in one way and partly in the other as shall be authorised or sanctioned by the Company in General Meeting. The Company may also on any issue of shares pay such brokerage as may be lawful.

6. PROHIBITED TRANSACTIONS

THE Company shall not give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company, if any, nor shall the Company make a loan for any purchase whatsoever on the security of its shares or those of its holding company, if any, but nothing in this regulation shall prohibit transactions mentioned under section 77 of The Act.

7. RIGHTS ATTACHING TO SHARES

7.1. WITHOUT prejudice to any special rights previously conferred on the holders of existing shares or class of shares in the Company (which special rights may be varied or abrogated only in the manner provided by clause 15), any shares whether in the initial or in any increased capital may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time by Special Resolution determine. Preference shares may be issued and existing shares may be converted into preference shares on the basis that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as shall be prescribed in this Constitution or the resolution authorising or effecting such issue or conversion. All shares in the same class shall rank *pari passu* with each other.

7.2. IN the event that the Company ceases to be a subsidiary of Standard Chartered Holdings (Africa) B.V, the said Standard Chartered Holdings (Africa) B.V shall be entitled, whilst it holds shares in the Company, by written notice to the Company to require the name of the Company to be changed so as not to include reference to "Standard Chartered" or otherwise refer to Standard Chartered group or anything

which could be confused therewith. Not later than two (2) months of the Company ceasing to be a subsidiary of Standard Chartered Holdings (Africa) B.V. , the Directors shall convene a General Meeting of the Company at which there shall be duly proposed a Special Resolution for the said change of name. In default of the Directors convening such general meeting as aforesaid any one member shall be entitled to convene the same and any one member shall have the right to demand a poll on the said resolution.

8. NEW SHARES

- 8.1. IF the Company is listed, all shares shall be issued in electronic form in accordance with the rules of the Central Securities Depository Company of Botswana.
- 8.2. NEW shares, that is to say shares in the capital of the Company which come about as a result of an increase of the authorised share capital of the Company and which are unissued, or shares which form part of the existent authorised share capital of the Company and which are unissued, shall be offered to shareholders pro rata the existing shareholding, of each shareholding, unless such shares are issued for the consideration for the acquisition of a specific property or a specific business or a specific company.
- 8.3. NOTWITHSTANDING and in addition to the aforementioned, the shareholders in General Meeting, may by Ordinary Resolution place some or all new shares under the control of the Directors and authorise the Directors to issue such new shares and/or give options to subscribe for such new shares as the Directors in their discretion may think fit, provided that such issue or grant of options shall have been approved by the Committee of the Botswana Stock Exchange.

9. EMPLOYEE SHARE OPTION SCHEMES

THE shareholders in General Meeting by Ordinary Resolution may approve the establishment of a scheme whereby employees of the Company, and/or a subsidiary, and/or an associate company may be granted, awarded or given opportunity to subscribe for or acquire shares in the Company and in so doing determine that percentage of the entire issued share capital of the Company which can be reserved for and subsequently utilised for such scheme, the percentage of the entire issued share capital of the Company that may

be held by any such employee pursuant to the scheme, the rules of the scheme, the provisions of the Trust, if any, established to administer the scheme in the benefit of the employees. Any amendment to the scheme that would alter or vary the category of employees entitled to participate therein, the percentage of the entire issued share capital of the Company which may be reserved for or utilised for the scheme, the percentage of the entire issued share capital of the Company that may be held by any one employee, pursuant to the scheme and the dividend and voting rights that may attach to shares in the Company as approved by the shareholders in General Meeting by Ordinary Resolution, shall be subject to approval by the shareholders in General Meeting and by Ordinary Resolution.

10. **OWNERSHIP IN SHARES**

SAVE as required by Statute, the Company shall be entitled to treat the person whose name appears upon the Register in respect of any share as the absolute owner thereof, and shall not be under any obligation to recognise any trust or equity or equitable claim to or partial interest in such share, whether or not it shall have express or other notice thereof.

11. **CERTIFICATES**

11.1. EVERY member shall be entitled, without payment, to one certificate for all the shares registered in his name, or in the case of shares of more than one class being registered in his name, to a separate certificate for each class of shares so registered. Every certificate shall specify the number and class of shares in respect of which it is issued and the amounts paid up thereon respectively. Every such certificate shall be delivered to the member if he so requests within two months after the allotment or lodging with the Company of the transfer, as the case may be, of the shares comprised therein.

11.2. EVERY certificate shall:

11.2.1. if under the seal of the Company be signed by one Director and the Company Secretary or Transfer Secretary;

11.2.2. if not under the seal of the Company be signed by two Directors and the Company Secretary or Transfer Secretary;

11.3. SIGNATURES of certificates shall be autographically affixed or by such mechanical

means as the auditors to the Company may have in writing approved.

- 11.4. IF any certificate be defaced, worn out, lost or destroyed, a new certificate may be issued on payment of such sum as the Directors may, from time to time, prescribe and the person requiring the new certificate shall surrender the defaced or worn out certificate, or give evidence of the loss or destruction of the certificate and such indemnity to the Company as the Directors may think fit.
- 11.5. Notwithstanding anything to the contrary contained in this Constitution, shares in the Company may be issued, held, transferred or dealt with in uncertificated or dematerialised form in accordance with the applicable laws and the Listings Requirements and, in such circumstances, no share certificate shall be required.

12. **JOINT HOLDERS OF SHARES**

- 12.1. WHERE two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint tenants with benefit of survivorship, subject to the provisions following :-
 - 12.1.1. the joint holders of any share shall be liable, severally as well as jointly in respect of all payments which ought to be made in respect of such share; on the death of any one of such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such share; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him;
 - 12.1.2. any one of such joint holders may give effectual receipts for any dividend, bonus or return of capital payable to such joint holders;
 - 12.1.3. only the person whose name stands first in the Register as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share, or to receive notices from the Company, and any notice given to such person shall be deemed notice to all the joint holders;
 - 12.1.4. any one of the joint holders of any shares for the time being conferring a right to vote may vote either personally or by proxy at any meeting in

respect of such share as if he were solely entitled thereto, provided that, if more than one of such joint holders be present at any meeting, either personally or by proxy, the person whose name stands first in the Register as one of such holders, and no other, shall be entitled to vote in respect of the said share.

- 12.2. PROVIDED that the Company shall not be bound to register more than four persons as the joint holders of a share and in the case of a share held jointly by several persons the Company shall not be bound to issue more than one certificate therefor.

13. **TRANSFER AND TRANSMISSION OF SHARES**

- 13.1. THE instrument of transfer of any share in the Company shall be in writing, and shall be executed by or on behalf of the transferor, and duly attested, and the transferor shall be deemed to remain the holder of such share until the name of the transferee, which is reflected on the instrument of transfer, is entered in the register in respect thereof.
- 13.2. SHARES in the Company may be transferred in any usual or common form of which the Directors shall approve.
- 13.3. NOTWITHSTANDING any other provision of this Constitution, shares in the Company shall be freely transferable and registration of transfer of such shares shall not be subject to any restriction, save to the extent required for compliance with statutory requirements and other applicable statutory instruments.
- 13.4. EVERY instrument of transfer shall be left at the transfer office of the company at which it is presented for registration accompanied by the certificate of the securities to be transferred, and/or other such evidence as the Company may require to prove the title of the transferor or his rights to transfer the securities.
- 13.5. ALL authorities to sign Transfer Deeds granted by members for the purpose of transferring securities which may be lodged, produced or exhibited with or to the company at any of its proper offices shall as between the Company and the grantor of such authorities, be taken and deemed to continue and remain in full force and effect and the Company may allow the same to be acted upon until such time as express notice, in writing, of the revocation of the same shall have been given and

lodged at the Company's transfer offices at which the authority was lodged, produced or exhibited. Even after the giving and lodging of such notices, the company shall be entitled to give effect to any instruments signed under the authority to sign and certified by any officer of the Company as being in order before the giving and lodging of such notice.

- 13.6. WHERE the instrument of transfer is executed by and on behalf of the transferor, even after the giving and lodging of notice of revocation of power of attorney, the Company shall be entitled to give effect to any instrument signed under power of attorney and certified by any officer of the Company as being in order before the giving and lodging of such notice.
- 13.7. ON the death of any member (not being one of two or more joint holders of a share) the executor or administrator of his estate, lawfully appointed holding office as such for the time being, shall be the only person recognised by the Company as having any title to the share or shares registered in his name.
- 13.8. ANY person becoming entitled to a share in consequence of the death or insolvency of a member shall, upon such evidence being produced as may from time to time be required by the Directors, have the right, either to be registered as a member in respect of the share or instead of being registered himself, to make such transfer of the share as the deceased or insolvent could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or insolvent before the death or insolvency, but nothing herein contained shall release the estate of a deceased joint shareholder from any liability in respect of share jointly held by him.
- 13.9. ANY person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, unless and until he is registered as a member in respect of the share, be entitled in respect of it to receive notice of, or to exercise any right conferred by membership in relation to meetings of the Company: PROVIDED ALWAYS that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to make such transfer as aforesaid, and, if such notice is not complied

with within ninety days after service thereof, the Directors may thereafter withhold payment of all dividends and other moneys payable in respect of such share until the requirement of the notice has been complied with

13.10. NOTWITHSTANDING anything in this Constitution, there shall be no forfeiture of any Securities registered in the name of a deceased or insolvent shareholder solely on the ground that the executor, administrator, trustee, or beneficiary has failed to effect registration of such securities in their own name or in the name of any other entitled person when requested to do so by the Company or the Board.

14. **ALTERATION OF SHARE CAPITAL**

14.1. The Company may by Special Resolution increase the authorised capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

14.2. ANY capital raised by the creation of new shares shall, unless otherwise provided by the conditions of issue, be considered as part of the original capital, and shall be subject to the same provisions of these regulations as if it had been part of the original capital.

14.3. THE Company may by SPECIAL RESOLUTION:

14.3.1. sub-divide its existing shares or any of them into shares of smaller amounts than is fixed by the Constitution, (provided that in the subdivision of an existing share the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as if was in the case of the share from which the reduced share is derived);

14.3.2. consolidate and divide all or any part of its share capital into shares of larger amount than its existing shares or consolidate and reduce the number of the issued shares;

14.3.3. reduce its share capital and any capital redemption reserve fund and any share premium account in any manner authorised by law; and in particular, without prejudice to the generality of the power hereby conferred, may extinguish or reduce the liability on any of its shares in respect of share

capital not paid-up, with or without extinguishing or reducing liability on any of its shares, cancel any paid up share capital which is lost or unrepresented by available assets, or either with or without extinguishing or reducing the liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company;

- 14.3.4. cancel shares which at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled;
 - 14.3.5. convert all of its ordinary or preference share capital consisting of shares having a par value into stated capital constituted by shares of no par value and vice versa; and
 - 14.3.6. convert any shares in the capital of the Company to shares of a different class and in particular, (but without derogating from the generality of the foregoing) convert ordinary shares or preference shares into redeemable preference shares.
 - 14.3.7. convert any securities into stock and reconvert any stock into securities of any denomination.
 - 14.3.8. convert securities of any class, whether issued or not, into securities of any other class.
- 14.4. THE Directors may resolve that any return of capital made to all or any members whose registered addresses are outside the Republic of Botswana or who have given written instructions requesting payment at addresses outside the Republic of Botswana, and/or all or any holder of share warrants to bearer, shall be paid in such other currency or currencies as may be stipulated by the Directors. The currency of the Republic of Botswana shall be converted into such other currency or currencies at the rate/s of exchange ruling on the date of conversion.
- 14.5. IN the event that any capitalisation issue or rights issue or sub-division or consolidation or reduction or conversion or distribution of shares or share capital

results in a fraction of a share to be issued, that fraction will not be issued, but will be paid out in cash, for the benefit of the person to whom the fraction is to be issued.

14.6. ALL unclaimed amounts due as a result of a reduction of capital shall be held in trust by the Company indefinitely, until lawfully claimed by the shareholder.

15. **MODIFICATION OF RIGHTS**

IF at any time the capital is divided into different classes of shares, the rights attached to any class or any of such rights may, subject to the provisions of The Act be modified, abrogated or varied with the consent in writing of the holders of three-fourths of the nominal amount of the issued shares of that class, or with the sanction of a Resolution passed at a separate General Meeting of the holders of the shares of that class, but not otherwise. To every such separate General Meeting the provisions of this Constitution relating to General Meetings shall, mutatis mutandis, apply, but so that at every such separate General Meeting the quorum shall be three persons at least holding or representing by proxy 51% of the nominal amount of the issued shares of the class, and that any holder of shares of the class present in person or by proxy may demand a poll.

16. **DEBENTURES**

16.1. ANY debentures or debenture stock shall be issued pursuant to a Ordinary Resolution of the Company:-

16.1.1. at such value, be it at par or at a discount or at a premium;

16.1.2. with any special privileges;

16.1.3. upon such terms as to:-

16.1.4. conversion, surrender, redemption, and drawings;

16.1.5. interest and the payment thereof;

16.1.6. attending and voting at General Meetings and appointment of Directors;

16.1.7. allotment or linkage to shares or stock

as such Ordinary Resolution shall determine.

- 16.2. DEBENTURES and debenture stock may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- 16.3. ANY debentures or debenture stock issued or to -be issued by the Company shall be under the control of the Directors.

17. **GENERAL MEETINGS**

- 17.1. THE Company shall, not later than six months after the end of each financial year, hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year, and not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. The Annual General Meeting shall be held at such time and place as the Directors shall appoint. All General Meetings, other than Annual General Meetings, shall be called "EXTRAORDINARY GENERAL MEETINGS".
- 17.2. THE Directors may, whenever they think fit, and they shall upon a requisition made in writing by members in accordance with Section 106 of The Act, convene an Extraordinary General Meeting. If at any time there shall not be present in Botswana and capable of acting sufficient Directors to form a quorum, the Directors in the Republic of Botswana capable of acting, or, if there shall be no such Directors, then any two members may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which General Meetings may be convened by the Directors, and the Company at such meeting shall have power to elect Directors.
- 17.3. IN the case of an Extraordinary General Meeting no business other than that stated in the requisition as the objects of the meeting shall be transacted.
- 17.4. AN Annual General Meeting and an Extraordinary General Meeting shall be called by twenty-one days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and also of the day for which it is given or deemed to be given, and shall specify the place, the day and the hour of the meeting, and, in case of special business, the general nature of the business. The notice shall be given by mail or in manner hereinafter mentioned or in such other

manner (if any) as may be prescribed by the Company in General Meeting to such persons as are under this Constitution entitled to receive such notices from the Company. Every notice calling an Annual General Meeting shall specify the meeting as such.

- 17.5. AT the same time that all those entitled are sent notice of any meetings, the Botswana Stock Exchange shall also be sent such notice.
- 17.6. A meeting of the Company shall, notwithstanding that it is called by shorter notice than specified in clause 17.4, be deemed to have been duly called with regard to length of notice if it is so agreed:-
 - 17.6.1. in the case of a meeting called as the Annual General Meeting by all the members entitled to attend and vote thereat; and
 - 17.6.2. in the case of any other meeting by a majority in number of the members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent, in nominal value, of the shares giving that right.
- 17.7. IN every notice calling a meeting of the Company or of any class of members of the Company, there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him, and that a proxy need not also be a member.
- 17.8. THE accidental omission to give notice to any person entitled under this Constitution to receive notice of a General Meeting, or the non-receipt by any such person of such notice, shall not invalidate the proceedings at that meeting.
- 17.9. THE business of an Annual General Meeting shall be to receive and consider the Accounts and Balance Sheets, the Reports of the Directors and Auditors, and any other documents required by law to be attached or annexed to the Balance Sheets, to elect Directors in place of those retiring, to elect auditors and fix their remuneration and to declare or sanction a dividend. All other business transacted at an Annual General Meeting, and all business transacted at an Extraordinary General Meeting, shall be deemed SPECIAL.

- 17.10. NO business shall be transacted at any General Meeting unless a quorum of members is present, and such quorum shall consist of at least three members present in person or by proxy who hold between them not less than 51% of the entire issued share capital in the Company.
- 17.11. IF, within half-an-hour from the time appointed for a General Meeting, a quorum be not present, the meeting, if convened by or on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, (but should such day be a public holiday then it shall be adjourned to the first business day next following such public holiday) and if, at such adjourned meeting a quorum be not present within half-an-hour from the time appointed for the meeting; those members who are present shall be deemed to be a quorum and may do all business which a quorum might have done.
- 17.12. THE Chairman (if any) of the Board of Directors shall preside as Chairman at every General Meeting of the Company. If there be no such Chairman, or if at any meeting he be not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairman, the members present shall choose one of the Directors present to be Chairman, or if no Director be present and willing to take the Chair, the members present shall choose one of their members to be Chairman.
- 17.13. THE Chairman may, with the consent of any General Meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted thereat.
- 17.14. AT any General Meeting every question shall be decided in the first instance by a show of hands, and, unless a poll be (on or before the declaration of the result of the show of hands) directed by the Chairman, or demanded by at least three members present in person or by proxy and entitled to vote, or by one or more members

representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting or holding shares in the Company conferring a right to vote at the meeting, a declaration by the Chairman that a resolution has been carried or not carried, or carried or not carried by a particular majority shall be final and an entry to that effect in the minute book of the Company shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.

17.15. IF a poll is demanded as aforesaid it shall be taken in such manner and at such place and time as the Chairman of the meeting directs and either immediately or after an interval or adjournment (not exceeding seven (7) days). The demand for a poll may be withdrawn. Scrutineers shall be elected to count the votes and to declare the result of the poll, and their declaration which shall be announced by the Chairman of the meeting, shall be deemed to be the resolution of the meeting at which the poll was demanded. In case of any dispute as to the admission or rejection of a vote, the Chairman of the meeting shall determine the same, and the determination of the Chairman made in good faith shall be final and conclusive.

17.16. IN the case of an equality of votes at any General Meeting, whether upon a show of hands or on a poll, the Chairman shall not be entitled to a second or casting vote.

17.17. NO objection to the admission or rejection of any vote shall be taken except at the meeting or adjourned meeting at which the vote in dispute is given or tendered. The Chairman shall determine any such objection if made within due time, and such determination shall be final and conclusive.

17.18. A poll demanded upon the election of a Chairman or upon a question of adjournment shall be taken forthwith. Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

18. **VOTES OF MEMBERS**

18.1. SUBJECT to any special terms as to voting upon which any shares may for the time being be held, upon a show of hands every member present in person or by proxy shall have one vote but upon a poll every member present or by proxy shall have

one vote for every share held by him.

- 18.2. NO objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman whose decision shall be final and conclusive.
- 18.3. IF any member be a person of unsound mind he may vote by his curator bonis. A parent or guardian may vote on behalf of a minor.
- 18.4. A Resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at General Meetings, or being corporations by their duly authorised representatives, shall be as valid and effective as if the same had been passed at a General Meeting duly convened and held, and any such resolution may consist of several documents in like form each signed by one or more of such members or their representatives, but this Article shall not apply to a resolution which by the Act is required to be passed by the Company in General Meeting.
- 18.5. UPON a poll, votes may be given either personally or by proxy.
- 18.6. THE instrument appointing a proxy shall be in writing under the hand of the appointer, or of his attorney duly authorised in writing, or, if such appointer be a corporation, either under its common seal or under the hand of an officer or attorney so authorised. A member may appoint two or more persons as proxies in the alternative, but if he does so, only one of such proxies may attend as such and vote instead of such member on any one occasion.
- 18.7. A proxy need not be a member of the Company.
- 18.8. THE instrument appointing a proxy, and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the office of the Company not more than forty-eight hours nor less than twenty four hours before the time fixed for holding the meeting or adjourned meeting at which the person named in such instrument is authorised to vote, or, in the case of a poll, not more than forty eight hours nor less than twenty-four hours

before the time appointed for taking of the poll, and in default the instrument of proxy shall not be treated as valid.

18.9. THE instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

18.10. A vote given or act done in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the appointer, or revocation of the proxy, or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy was executed, or the transfer of the share in respect of which the proxy is given, unless notice in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the office before the commencement of the meeting or adjourned meeting or poll at which the vote was given or the act was done.

18.11. AN instrument appointing a proxy shall be in substantially the following form or any other form which the Directors shall reasonably approve:-

STANDARD CHARTERED BANK BOTSWANA LIMITED

"I _____ of _____ being a member of the abovenamed Company; hereby appoint _____ of

or failing him _____ as my proxy to attend and vote for me on my behalf

at the (Annual/Extraordinary, as the case may be) General Meeting of the Company, to be

held on the _____ day of (month) _____ (year)

"Signed this _____ day of (month) _____ (year)

"This form is to be used in favour of/against the resolution."

"Unless otherwise instructed, the proxy will vote as he thinks fit."

18.12. ANY corporation (whether a company within the meaning of The Act or not) which is a member of the Company may by resolution of its directors or other governing body

authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company.

18.13. NOTWITHSTANDING anything to the contrary herein contained, unless otherwise resolved by the members in Ordinary Resolution, not more than five million ordinary shares of the entire issued share capital of the Company shall be reserved for or subject to options in favour of or held by employees, in terms of an employee share option scheme.

19. **DIRECTORS**

19.1. THE minimum number of Directors shall be 5 (five) and the maximum shall be 12 (twelve), at least two thirds of whom must be resident in Botswana.

19.2. A Director shall not be required to hold a share qualification.

20. **ROTATION OF DIRECTORS**

20.1. AT the first Ordinary General Meeting of the Company all the Directors for the time being shall retire. Subject to the provisions of clause 20.7, at every Ordinary General Meeting of the Company thereafter at least one-third of the Directors for the time being shall retire from office. The Directors so to retire in each year shall be those who have been longest in office since their last appointment or election, but as between persons who were last elected as Directors on the same day, those to retire, unless they otherwise agree among themselves, shall be determined by lot, provided that notwithstanding anything herein contained, if, at the date of any Ordinary Meeting any Director shall have held office for a period of three (3) years since his last election or appointment, he shall retire at such meeting, either as one of the Directors to retire in pursuance of the foregoing provisions, or additionally thereto. A retiring Director shall hold office until the conclusion of the meeting at which he retires.

20.2. RETIRING Directors shall be eligible for re-election, but no person not being a retiring Director shall be eligible for election to the office of Director at any general meeting unless the member intending to propose him and the member intending to

second him have at least five (5) clear days before the meeting, left at the registered office of the Company a notice in writing, duly signed signifying the intention of such members to propose and second him and the consent of the candidate to assume the office of the Director.

- 20.3. THE Company in General Meeting shall fill up any vacancies in the Board of Directors existing or arising at that meeting, unless it is resolved to reduce the number of Directors as set out below.
- 20.4. THE period to be allowed before the date of an Annual General Meeting for the nomination of a new Director must be such as to give sufficient time after the receipt of the notice of the holding of the meeting for nominations to reach the Company's office.
- 20.5. IF at any General Meeting at which an election of Directors ought to take place, the place of any retiring Director is not filled up, he shall, if willing, continue in office until the dissolution of the Ordinary Meeting in the next year, and so on from year to year until his place is filled up, unless it shall be determined at such meeting not to fill up such vacancy.
- 20.6. SUBJECT to the provisions of clause 19.1 the Company by Ordinary Resolution in General Meeting may from time to time increase or reduce the number of Directors and alter their qualifications and may also determine in what rotation such increased or reduced number is to go out of office. Whenever such increase is made the shareholders at the said meeting, or failing them, the Directors, may fill up the new seats so created.
- 20.7. NOTWITHSTANDING anything to the contrary contained in clause 20.1, any person employed under a contract with the Company, which contract has as a condition thereof that the person shall be a Director of the Board, that person shall not be subject to retirement by rotation as envisaged in clause 20.1, but the period for which that person shall be a Director and shall hold office as such shall be determined by the terms and conditions of his contract with the Company, provided that less than half of the Directors may be appointed to any such position on the condition that they will not be subject to retirement by rotation.

21. REMUNERATION OF DIRECTORS

- 21.1. THE remuneration of Directors shall be such sum or sums as may from time to time be approved by the Company in General Meeting. Directors shall also be paid such travelling, hotel and other expenses as may be properly and necessarily incurred by them in and about the execution of their duties as Directors, including any such expenses incurred in connection with the attendance at meetings of Directors or committees thereof and at General Meetings.
- 21.2. A quorum of disinterested Directors may award special remuneration out of the funds of the Company to any non-executive Director undertaking any work additional to that usually required of non-executive directors of a company similar to the Company, and shall approve any visit abroad by any Director on business of the Company and the expenses to be met by the Company.
- 21.3. THE Company shall, in accordance with the provisions of section 152 of The Act, duly keep at the office, in respect of each Director, a register of the number, description and amount of any shares in or debentures of the Company and in or of other bodies corporate in which he is interested, as is required by such section. Such Register shall be open to
- 21.4. inspection between the hours of 10 a.m. and 12 noon during the periods prescribed by the section and shall also be produced at the commencement of each Annual General Meeting and shall remain open and accessible during the continuance of the meeting to any person attending the meeting.

22. ALTERNATE DIRECTORS

- 22.1. EACH Director shall have the power to appoint a person to act as Alternate Director in his place, and at his discretion to remove such Alternate Director and to appoint another in his stead, provided that the appointment of such Alternate Director shall be approved by the Directors, and on such appointment being made and approved the Alternate Director shall in all respects be subject to the terms and conditions existing with reference to the other Directors of the Company. Such Alternate Director shall be entitled to act at all meetings and in all proceedings in which and on all occasions when the Director who appointed him shall not act himself. An

Alternate Director shall look for his remuneration to the Director appointing him and shall have no claim against the Company for such remuneration.

22.2. AN Alternate Director, whilst acting in the place of the Director who appointed him, shall exercise and discharge all the duties and functions of the Director he represents. The appointment of an Alternate Director shall be cancelled and the Alternate Director shall cease to hold office whenever the Director who appointed him shall cease to be a Director or shall give notice in writing to the Secretary that the Alternate Director representing him shall have ceased to do so. A Director retiring at any Ordinary Meeting and being re-elected shall not, for the purpose of this Article, be deemed to have ceased to be a Director.

23. **POWERS AND DUTIES OF DIRECTORS**

23.1. THE business and management of the Company shall be managed by the Directors who may pay all expenses incurred in formation and registration of the Company, and may exercise all such powers of the Company as are not by The Act or by this Constitution required to be exercised by the Company in General Meeting, subject, nevertheless, to the provisions of this Constitution and of The Act, and to such regulations not being inconsistent with the aforesaid provisions, as may be prescribed by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers conferred upon the Directors by this Article shall not be deemed to be abridged or restricted by any specific power conferred upon the Directors by any other Article.

23.2. WITHOUT prejudice to the generality of clause 23.1 hereof, the Directors may give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or have at any time been Directors of, or employed by or in the service of the Company, and to the wives, widows, children and other relatives and dependents of any

23.3. such persons, and may set up, establish, support and maintain pension, superannuation or other funds or schemes (whether contributory or non-contributory) for the benefit of such persons as are hereinbefore referred to, or any of them or any class of them. Any Director shall be entitled to receive and retain for

his own benefit any such pension, annuity, gratuity, allowance or other benefit granted or awarded in terms of this Article to him. A Director may not vote as a Director in respect of the exercise of any of the powers by this Article conferred upon the Directors in respect of a grant or an award that may be made to him notwithstanding that he is or may be or become interested therein.

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

24. BORROWING POWERS OF DIRECTORS

24.1. THE Directors may raise or borrow for the purposes of the Company's business, such sum or sums of money as in aggregate at any time do not exceed twice the value of shareholders funds, or such other sum as the Company may, by Ordinary Resolution, in General Meeting determine. The Directors may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company, present and future, or by the issue, at such price as they may think fit, of debentures either charged upon the whole or any part of the property and assets of the Company, or not so charged or in such other way as the Directors may think expedient.

24.2. THE Directors shall cause a proper register to be kept in accordance with the provisions of The Act of all mortgages and charges specifically affecting the property of the Company, and they shall cause to be entered in such register in respect of each mortgage or charge a short description of the property mortgaged or charged, the amount of charge created, the name of mortgagee or person entitled to such charge and such further particulars as the provisions of The Act requires.

24.3. IF any Director or other person shall become personally liable for the payment of

any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

25. **HOLDING OF OFFICE**

- 25.1. A Director may hold any office or place of profit under the Company or subsidiary, other than that of Auditor, in conjunction with the office of Director of the Company or subsidiary, for such period and on such terms as to remuneration and otherwise as determined by a disinterested quorum of Directors.
- 25.2. A Director may enter into or be interested in contracts or arrangements with the Company and may have or be interested in dealings of any nature whatsoever with the Company and shall not be disqualified from office thereby. No such contract, arrangement or dealing shall be liable to be avoided, nor shall any Director so contracting, dealing or being so interested be liable to account to the Company for any profit arising out of any such contract, arrangement or dealing to which he is party or in which he is interested by reason of his being a Director of the Company.
- 25.3. A Director who is in any way, whether directly or indirectly interested in a contract or proposed contract which has been or is to be entered into by the Company, shall declare the nature and extent of his interest as provided by section 156 of The Act. A Director shall not vote in respect of any contract or arrangement in which he is interested.
- 25.4. A Director may be or continue to be or may become a Director or other officer or servant of or otherwise be interested in any other company in which this Company is or becomes in any way interested, and shall not (in the absence of agreement to the contrary) be liable to account to the Company for any emoluments or other benefits received or receivable by him as Director, or officer or servant of, or from his interest in such other Company.
- 25.5. THE Directors may exercise or procure the exercise of the voting rights attached to shares in any other company in which this Company is or becomes in any way interested, and may exercise any voting rights to which they are entitled as Directors

of any such other company, in such manner as they shall in their absolute discretion think fit, including the exercise thereof in favour of any resolution appointing themselves or any of them as directors, officers or servants of such other company and fixing their remuneration as such, and may vote as Directors of this Company in connection with any of the matters aforesaid.

26. **DISQUALIFICATION OF DIRECTORS**

26.1. THE office of a Director shall be vacated if the Director -

26.1.1. becomes insolvent, whether by surrendering his estate or by reasons of his estate being provisionally or finally sequestrated, or compounds with his creditors generally;

26.1.2. becomes of unsound mind;

26.1.3. absents himself from the meetings of Directors for a period of six months without special leave of absence from the other Directors;

26.1.4. becomes prohibited from being a Director by reason of any order made under section 143 of The Act;

26.1.5. gives the Company one month's notice in writing that he resigns his office as a Director;

26.1.6. is removed from office as provided in these regulations; or

26.1.7. ceases to be a Director by virtue of any of the provisions of The Act or become prohibited or disqualified from being a director by virtue or in terms of any of the provisions of The Act;

26.1.8. reaches the age of 75 years or such other age as the Directors may decide.

26.2. But any act done in good faith by a Director whose office is vacated as aforesaid shall be valid unless, prior to the doing of such act, written notice shall have been served upon the Company or an entry shall have been made in the Director's Minute Book stating that such Director has ceased to be a Director of the Company.

27. VACANCIES, ADDITIONS AND REMOVAL OF DIRECTORS

- 27.1. THE Directors shall have power at any time from time to time to appoint any other person to be a Director of the Company, to fill a casual vacancy, and such appointment must be confirmed at the next Annual General Meeting.
- 27.2. THE Company may by Ordinary Resolution, of which special notice has been given in accordance with section 106 of the Act, remove any Director before the expiration of his period of office (notwithstanding anything in this Constitution or in any agreement between the Company and such Director) and may by an Ordinary Resolution appoint another person in his stead. The person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed a Director.

28. PROCEEDINGS OF DIRECTORS

- 28.1. THE Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Three Directors, at that time appointed to office, shall constitute a quorum. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote, except where only two Directors are present and constitute a quorum. A Director may, and the Secretary on the requisition of a Director shall at any time summon a meeting of the Directors. Notice of a meeting of Directors shall be given to all Directors.
- 28.2. THE continuing Directors may act notwithstanding any vacancy in their body, but if and so long as the number of Directors is reduced below the number fixed by or pursuant to this Constitution as the minimum number of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting of the Company, but for no other purpose.
- 28.3. THE Directors may elect a Chairman and Deputy Chairman of their meetings upon such terms and conditions as the Directors may deem fit for a period not exceeding one year. If at any meeting the Chairman be not present within five minutes after the

time appointed for holding the same, the Directors present shall choose one of their members to be Chairman of such meeting.

- 28.4. A memorandum in writing, signed by the majority of the Directors (or their alternates) for the time being entitled to receive notice of a meeting of Directors (not being less than the number required for a quorum) and annexed or attached to the Directors' Minute Book, shall be as effective for all purposes as a resolution of the Directors passed at a meeting duly convened, held and constituted. Any such memorandum may consist of several documents, including facsimile transmissions, in like form, each signed by one or more of such Directors (or their alternates) and shall be deemed to have been passed on the day on which it was signed by the last Director who signed it, unless a statement to the contrary is made in that resolution.
- 28.5. THE Directors may delegate any of their powers to Committees, consisting of such one or more of their body as they think fit. Any Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Directors. The regulations herein contained for the meetings and proceedings of Directors shall, so far as not altered by any regulations made by the Directors, apply also to the meetings and proceedings of any Committee.
- 28.6. ALL acts done by any meeting of the Directors or of a Committee of Directors or by any persons acting as Directors shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors or persons acting as aforesaid, or that they or any of them were appointed and was disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

29. **FULL TIME EMPLOYMENT**

- 29.1. THE Directors may from time to time appoint one or more of their body to full time employment with the Company, with such title as the. Directors may in their absolute discretion determine and may stipulate whether or not the holding by that Director of the office of Director is a condition (or otherwise) of such employment, and may fix his/her remuneration either by way of salary or commission for an amount equal to a percentage on dividends declared (not to exceed 5%) or by a combination of two or more of those modes, and if the holding of office as a Director is a condition of

such contract may, if the Directors deem prudent, stipulate the term of such holding of office, and may stipulate that there be paid to him or his widow or her or her widower or such other dependents, a pension or gratuity on retirement or death. The appointee shall not vote upon any resolution in respect of his/her appointment or in respect of the determination of any terms and conditions of such appointment and employment.

29.2. THE Directors may from time to time appoint one or more of their body to the office of Managing Director on such terms and conditions and for such period not exceeding five years or such other period as the Board shall determine. For so long as Standard Chartered Holdings (Africa) B.V. holds the majority of the issued shares in the Company, the terms and conditions and period thereof, and the revocation or termination thereof shall be subject to the prior approval of Standard Chartered Holdings (Africa) B.V. and Standard Chartered Bank.

29.3. EVERY Managing Director shall, subject to clause 29.2 and the provisions of any contract between himself and the Company with regard to his employment as such, be liable to be dismissed or removed by the Board of Directors, and another person may be appointed in his place.

29.4. THE Directors may from time to time entrust to and confer upon an Executive Director and/or the Managing Director all or any of the powers of the Directors (excepting the power to borrow money or issue debentures) that they may think fit. The exercise of all such powers by an Executive or Managing Director shall be subject to such regulations and restrictions as the Directors may from time to time make and impose, and the said powers may at any time be withdrawn, revoked or varied.

30. TRUSTEES

30.1. Any person whether or not a Director and whether incorporated or not may be appointed at any time by the Board to hold in trust for the Company any property belonging to the Company or in which it is interested, or for any other purposes, and may execute and do all such deeds and things as may be requisite in relation to such trust and the Board shall provide for the remuneration of any such trustee and

for his indemnification so far as permitted by the law.

31. SECRETARY

THE Directors shall appoint a Secretary and shall fix his remuneration and terms and conditions of employment.

32. MINUTES

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

32.1.1. of all appointments of officers made by the Directors;

32.1.2. of the names of the Directors present at each meeting of the Directors and of any Committee of the Directors;

32.1.3. of all resolutions and proceedings at all meetings of the Company and of Directors and of Committees of Directors.

32.2. Every Director present at any meeting of Directors or Committee of Directors shall sign his name in a book to be kept for that purpose.

33. THE SEAL

THE Directors may procure a Seal to be made for the Company, and, if so made, shall provide for the safe custody thereof. The Seal shall not be affixed to any instrument except by the express authority of a Resolution of the Board of Directors and in the presence of at least one Director and of the Secretary, or of such other persons as the Directors may appoint for the purpose, and that Director and Secretary or other persons as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.

34. AUTHENTICATION OF DOCUMENTS

ANY Director or the Secretary of the Company shall have the power to authenticate any documents affecting this Constitution and any resolutions passed by the Company or the Board or any committee of the Board, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom

as true copies or extracts; and where any books, records, documents or accounts are kept elsewhere than the Office, the local manager or officer of the Company having custody thereof shall be deemed to be a person appointed by the Board as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of the Board which is certified as aforesaid shall be conclusive proof in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be that such minute or extract is a true and accurate record of proceedings at a duly constituted meeting.

35. **DIVIDENDS**

- 35.1. SUBJECT to the rights of the holders of any shares entitled to any priority, preference or special privileges, all dividends shall be declared and paid to the members in proportion to the shares held by them respectively.
- 35.2. THE Company in General Meeting or the Directors may from time to time declare a dividend to be paid to the members and to the holders of share warrants (if any) in proportion to the number of shares held by them in each class. Dividends shall be declared payable to members registered as such on a date which is 21 days subsequent to the date of the declaration of the dividend.
- 35.3. SHOULD the Directors of the Company declare a final dividend prior to the publication of the annual accounts, the dividend notice given to shareholders shall contain a statement of the ascertained or estimated combined net trading profits of the Company and its subsidiaries for the year, and any abnormal receipts or payments, detailing appropriation of those profits, and also particulars of any amounts appropriated from reserves, capital profits, accumulated profits of the past years or other special source, to provide wholly or partly for the dividend.
- 35.4. NO larger dividend shall be declared by the Company in General Meeting than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend. In the event the Directors fail to recommend a dividend for any financial year, the Company shall notify the Secretary of the Botswana Stock Exchange.
- 35.5. DIVIDENDS shall be payable to shareholders registered as at a date 21 days

subsequent to the date of declaration of the dividend.

- 35.6. ANY dividend so declared may be paid and satisfied either wholly or in part, by the distribution of specific assets, and in particular of paid up shares or debentures of any other company, or in cash or in any one or more of such ways as the Directors may at the time of declaring the dividend determine and direct, and where any difficulty arises in regard to the distribution they may settle the same as they think expedient, and in particular may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such assets in trustees upon such trusts for the persons entitled to the dividend as may seem expedient to them.
- 35.7. ALL dividends unclaimed for a period not less than three years from the date on which the dividends became payable, may be forfeited by the Directors for the benefit of the Company. All other unclaimed monies shall upon the expiry of ten (10) years from the date upon which they become payable, be transferred to the Bank of Botswana. In the event of a Resolution being passed providing for the Company to be wound up voluntarily, such Resolution may provide that any dividends unclaimed for a period of not less than three years from the date on which the dividends became payable and not previously forfeited, may be forfeited by the Directors for the benefit of the Company.
- 35.8. THE Directors may from time to time pay to the members, or any class of members, such interim dividends as appear to the Directors to be justified by the profits of the Company.
- 35.9. THE Directors may deduct from the dividends payable to any member all such sums of money as may be due from him to the Company, in relation to the shares of the Company.
- 35.10. THE Company may transmit any dividend or bonus payable in respect of any share by ordinary post to the registered address of the holder, or, in the case of joint holders, of one of the holders of such share or to such person and address as the holder or joint holders may direct, and shall not be responsible for any loss arising in respect of such transmission.

35.11. NO dividend shall bear interest as against the Company.

35.12. THE Directors may, with the sanction of the Company in General Meeting, distribute in kind by way of dividend, any of the assets of the Company, and in particular any shares or securities of other companies to which this Company is entitled; provided always that no distribution shall be made which would amount to a reduction of capital except in the manner appointed by law

35.13. THE Company shall not pay a dividend until:

35.13.1. all amounts of losses incurred and other capitalized expenses not represented by tangible assets have been completely written off; and

35.13.2. after adequate provision for bad and doubtful debts has been made subject to the requirement of the Act and the Banking Act No.8 of 2023.

36. RESERVE FUND

36.1. BEFORE recommending a dividend the Directors may set aside any part of the net profits of the Company to a Reserve Fund, (or an addition thereto) and may apply the same either by employing it in the business of the Company or by investing it in such manner as they shall think fit, and the income arising from such Reserve Fund shall be treated as part of the gross profits of the Company. Such Reserve Fund may be applied for the purpose of maintaining the property of the Company, replacing wasting assets, meeting contingencies, forming an insurance fund, equalizing dividends, paying special dividends or bonuses, or for any other purpose for which the net profits of the Company may lawfully be used, and until the same shall be so applied it shall be deemed to remain undivided profit. The Directors may also carry forward to the accounts of the succeeding year or years any profit or balance or profit which they shall not think fit to divide or to place to reserve.

37. CAPITALISATION OF PROFITS

37.1. THE Company in General Meeting may, upon the recommendation of the Directors, resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's Reserve Accounts or to the credit of the Profit and Loss Account or otherwise be available for distribution, and

accordingly that such sum be set free for distribution among the members who would have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively, or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and among such members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution, provided that a Share Premium Account and a Capital Redemption Reserve Fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

37.2. WHENEVER such a resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures, if any; and generally shall do all acts and things required to give effect thereto with full power to the Directors to make payment in cash for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amount remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

38. **ACCOUNTS**

38.1. THE Directors shall cause proper books of account in compliance with the Act and the Banking Act No.8 of 2023 as amended, and the Rules of the Botswana Stock Exchange, (being such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions to be kept

in the English language, with respect to:-

- 38.1.1. all sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place;
 - 38.1.2. all sales and purchases of goods by the Company;
 - 38.1.3. the assets and liabilities of the Company.
- 38.2. THE books of account shall be kept at the registered office of the Company, and shall always be open to the inspection of the Directors. The Directors may from time to time by Resolution determine whether and to what extent, and at what times and places and on what conditions the books and accounts of the Company, or any of them, shall be open to the inspection of the members (not being Directors) and the members shall have only such rights of inspection as are given to them by The Act or by such Resolution as aforesaid.
- 38.3. A copy of every Balance Sheet, including every document required by law to be annexed thereto, which is to be laid before the Company in General Meeting, together with a copy of the Directors Report and the Auditors Report (if auditors have been appointed), together with group accounts shall, not less than twenty-one clear days before the date of the meetings, be sent to every member (whether he is or is not entitled to receive notices of General Meetings of the Company), every holder of debentures of the Company (whether he is or is not so entitled) and all other persons so entitled, but this Article shall not require a copy of such documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.
- 38.4. FIVE copies of the aforesaid Balance Sheet, document, Directors Report and Auditors Report shall be sent to the Secretary of the Botswana Stock Exchange not less than twenty-one clear days before the date of the meetings.

39. **AUDIT**

- 39.1. AUDITORS shall be appointed by Ordinary Resolution of the shareholders, subject

to the approval of the Bank of Botswana. At any Annual General Meeting a retiring Auditor, however appointed shall be re-appointed without any resolution being passed unless:

- 39.1.1. he is not qualified for re-appointment;
 - 39.1.2. a Resolution has been passed at the meeting appointing somebody instead of him providing expressly that the shall not be re-appointed;
 - 39.1.3. he has given the Company notice in writing of his unwillingness to be re-appointed.
- 39.2. THE remuneration of the Auditor shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine.
- 39.3. A person shall not be qualified for appointment as Auditor of the Company unless he is a member of a firm of independent accountants of recognised standing providing that none of the following persons shall be qualified for appointment as Auditor:
- 39.3.1. a Director, officer or servant of the Company;
 - 39.3.2. a person who is a partner of or in the employment of a Director, officer or servant of the Company;
 - 39.3.3. a person who is an employer of a Director, officer or servant of the Company;
 - 39.3.4. a body corporate;
 - 39.3.5. a person who is an officer or servant of a body corporate which is controlled by the person so registered;
 - 39.3.6. a person who by himself, or his partner or employee, regularly performs the duties of a secretary or book-keeper to the Company.
- 39.4. Reference in this Article to an officer or servant shall be construed as not including reference to an Auditor.
- 39.5. THE Auditor shall make a report to the members on the accounts examined by him,

and on every balance sheet and every profit and loss account laid before the Company in General Meeting in accordance with the requirements of the Act and generally accepted accounting standards in Botswana from time to time.

- 39.6. The Auditor's report shall be read before the Company in General Meeting and shall be open to inspection by any member.
- 39.7. THE Auditor shall have the right of access at all reasonable times to the books of account and vouchers of the Company, and shall be entitled to require from the Board such information and explanation as he thinks necessary for the performance of his duties.
- 39.8. THE Auditor shall be entitled to attend any General Meeting and to receive all notices and any other communication relating to any General Meeting which any member is entitled to receive, and to be heard at any General Meeting on any part of the business of the meeting which concerns him as Auditor.
- 39.9. ALL acts done by a person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in this appointment or that he was at the time his appointment not qualified for appointment.

40. **NOTICES**

- 40.1. A notice may be served by the Company upon any member personally, by courier, by post, or by electronic communication (including e-mail) addressed to such member at his registered address or electronic address last notified to the Company.
- 40.2. ANY notice, if sent by post, shall be deemed to have been served at the expiration of seven days after the same shall have been posted, and in proving such service, it shall be sufficient to prove that the envelope containing the notice was properly addressed and stamped and put into the Post Office or into any post-box subject to the control of the Director of Postal Services.
- 40.3. A notice may be given by the Company to the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a pre-paid letter addressed to him by name or by the title of representative of the

deceased, or trustee of the insolvent, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

40.4. SUBJECT to such restrictions affecting the right to receive notices as are for the time being applicable to the holders of any shares, notices of every General Meeting shall be given in any manner hereinbefore authorised to:-

40.4.1. every member;

40.4.2. every Director; and

40.4.3. the Auditor for the time being of the Company; and

40.4.4. the Secretary of the Botswana Stock Exchange (who shall receive five copies of the notice).

40.5. A copy of the notice shall also be published in two newspapers circulating in Botswana to appear at least twenty-one days before the General Meeting.

40.6. Notices are to be sent to all registered members. Notices to the holders of share warrants, (unless the conditions of issue provide otherwise) shall be given by advertisement in Botswana on X-News and a national newspaper.

41. **INDEMNITY**

EVERY Director, Managing Director, Agent, Auditor, Secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under SECTION 304 of The Act in which relief is granted to him by the Court.

42. **WINDING-UP**

42.1. IF the Company shall be wound up, the assets remaining after payment of the debts and liabilities of the Company and the costs of the liquidation shall be applied: First, in repaying to the members the amounts paid up on the 445 shares held by them

respectively, and the balance (if any) shall be distributed among the members in proportion to the number of shares held by them respectively: PROVIDED always that the provisions hereof shall be subject to the rights of the holders of shares (if any) issued upon special conditions.

42.2. IN a winding up, any part of the assets of the Company including any shares in or securities of other companies may, with the sanction of a Special Resolution of the Company, be divided among the members of the Company in specie, or may with the like sanction, be vested in trustees for the benefit of such members, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any shares whereon there is any liability.

43. **DECLARATION OF SECRECY**

EVERY Director, Alternate Director, member of local board, manager, trustee, auditor, the secretary and every officer, servant, clerk, agent or other person employed in the business of the Company shall before entering upon his duties subscribe such a declaration as the Board may from time to time prescribe, engaging themselves to observe secrecy with respect of the dealings and the state of the accounts of the several customers of and the persons dealing with the Company and any other matters which come to their respective knowledge by virtue of their respective offices, except only so far as it is necessary for the execution of their respective offices, trust or duty to disclose the same.

44. **CONTROLLERS OF THE COMPANY**

44.1. The powers exercised in the company shall be under the ultimate effective control of the Board, each Director and each Shareholder, and ultimately the beneficial owners who exercise ultimate effective control in the company or hold a senior managing position in the Company.

44.2. Annexure I contains a list of natural persons having ultimate effective control over the company in terms of section 41 (b) of the Act.

Annexure I Controllers of the Company



CONTROLLER'S FORM

Section 21(2)(c))

Name of Company

Company Number

Important Note: If there is more than one controller, each of the controllers should fill in a separate form.

CONTROLLER'S DETAILS

Controller's Name:

Residential Address:

**Position in the Company/
Nature of Association**

With company

**Percentage of
Contribution Held:**

Signature

.....

Date

IMPORTANT INFORMATION

- provide full names and residential address of every beneficial owner including amount to be paid or other consideration.
- where the beneficial owner is a representative, managerial position must be disclosed.
- where some shares are to be held by a foreign company, the identification of natural persons who own, hold shares and control the foreign company must be disclosed.

- beneficial owner's interest must be expressed in percentage

Completed by:

Postal Address:

