

THE COMPANIES (GUERNSEY) LAWS, 1994 to 1996 (as amended)

&

THE GUARANTEE COMPANIES ORDINANCE, 1997

COMPANY LIMITED BY GUARANTEE  
WITHOUT A SHARE CAPITAL

MEMORANDUM

and

ARTICLES OF ASSOCIATION

of

GUERNSEY SAILING TRUST LBG

Registered this *23<sup>rd</sup>* day of *December* 2003

Collas Day | Advocates

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THE GUARANTEE COMPANIES ORDINANCE, 1997

COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION

of

GUERNSEY SAILING TRUST LBG

1. The Company's name is "GUERNSEY SAILING TRUST LBG".
2. The Company's registered office is to be situated in Guernsey.
3. The Company's objects ("the Objects") are:-
  - 3.1 to hold the assets of the Guernsey Sailing Trust on behalf of the trustees for the time being of the Guernsey Sailing Trust ("the Trust");
  - 3.2 to operate a sailing school, both for and without reward, with such facilities, equipment and accommodation for sailing, changing rooms and amenities as may be thought fit;
  - 3.3 to arrange, manage, conduct, sponsor or subsidise races and/or regattas or any other sporting event, performance or exhibition;
  - 3.4 to adopt such means of advertising and publicising the activities of the Company as may seem expedient;
  - 3.5 to do all such other acts and things as are necessary to the foregoing objects and may lawfully be done by a company established for charitable purposes only.
4. In furtherance of the Objects but not otherwise the Company shall have power:
  - 4.1 to purchase, take on lease or in exchange, hire or otherwise acquire any real and personal estate which may appear convenient;
  - 4.2 to accept any gift of property, whether subject to any special trust or not, for any purpose within the Objects;
  - 4.3 to draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments and to operate bank accounts in the name of the Company;
  - 4.4 to insure and carry insurance in respect of all and activities of the Company including public, third party and employer liabilities;

- 4.5 to co-operate with other authorities, bodies, companies or persons (whether public or private) for purposes calculated to attain the Objects;
- 4.6 to take such steps as may seem expedient for the purpose of making the inhabitants of Guernsey aware of the aims, objects and activities of the Company or for procuring contributions to the funds of the Company;
- 4.7 to promote or carry out research, to provide advice and to print, publish or distribute information, books, leaflets and periodicals;
- 4.8 to employ or engage (paid or unpaid) such agents, advisors or staff as are necessary for the proper pursuit of the Objects and to pay pensions and superannuation to staff and their dependents;
- 4.9 to enter into contracts, agreements and arrangements with any person for the carrying out by such person on behalf of the Company of any of the Objects;
- 4.10 to remunerate any person rendering services to the Company whether by cash payment or otherwise as may be thought expedient, subject to clauses 6 and 7 of this Memorandum of Association;
- 4.11 to sell, lease, mortgage or otherwise deal with all or any part of the property of the Company;
- 4.12 to borrow and raise money and secure its repayment in any manner and to give guarantees;
- 4.13 to invest the funds of the Company in or upon such investments, securities or property as may be thought fit and to employ investment managers;
- 4.14 to subscribe to any local or other charities, and to give donations for any public purpose;
- 4.15 to establish and support, and to aid in the establishment and support of, any other association formed to promote all or any of the Objects;
- 4.16 to amalgamate with any companies, institutions, societies or associations having objects wholly or in part similar to those of the Company;
- 4.17 to purchase or otherwise acquire and undertake all or any part of the property, assets, liabilities and engagements of any body with which the Company is authorised to amalgamate;
- 4.18 to transfer all or any part of the property, assets, liabilities and engagements of the Company to any body with which the Company is authorised to amalgamate;
- 4.19 to establish subsidiary companies or to acquire an interest in any firm or company or enter into partnership or into any agreements for sharing profits or for co-operation or for mutual assistance;
- 4.20 to pay out of the funds of the Company the costs, charges and expenses of and incidental to the formation and registration of the Company;

- 4.21 to provide indemnity insurance on such terms as might be commercially available from time to time to cover the liability of the Directors or other officers which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty in relation to the Company;
  - 4.22 to carry on any trade or business which is calculated to facilitate or is conducive or incidental to the attainment of the Objects (or any of them); and
  - 4.23 to do all such other things as may be deemed incidental or conducive to the attainment of the Objects (or any of them).
5. None of the powers in clause 4 shall be restrictively construed but the widest interpretation shall be given to each of such powers, and none of these powers shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other power of powers, or by reference to or inference from the name of the Company.
  6. The income and property of the Company shall be applied solely towards the promotion of the Objects and no part shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit, to members of the Company.
  7. Nothing in this Memorandum of Association shall prevent any payment in good faith by the Company:
    - 7.1 of reasonable and proper remuneration for any services rendered to the Company by any member, officer or servant of the Company;
    - 7.2 of fees, remuneration or other benefits in money or money's worth to any company of which a Director may also be a member holding not more than 1 per cent part of the issued capital of that company;
    - 7.3 of reasonable and proper rent for premises let by any member of the Company;
    - 7.4 to any Director for reasonable out-of-pocket expenses;
    - 7.5 of the usual professional charges for business done by any Director who is an advocate, accountant or other person engaged in a profession, or by any partner of him or her, when instructed by the Company to act in a professional capacity on its behalf: Provided that at no time shall a majority of the Directors benefit under this provision and that a Director shall withdraw from any meeting at which his or her or their appointment or remuneration, or that of his or her partner, is under discussion;
    - 7.6 of interest on money lent by any member of the Company or Director at a reasonable and proper rate per annum not exceeding 2 per cent more than the published base lending rate of a clearing bank to be selected by the Directors;
  8. The liability of the members is limited.
  9. The maximum number of members shall be one hundred.
  10. Every member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the Company's assets if it should be wound up while he or she is a member or within one year after such membership ceases, for payment of the Company's debts and liabilities contracted before such membership ceased, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

11. If on the winding up of the Company there remains any surplus after the satisfaction of all its debts and liabilities, the surplus shall not be distributed among the members but shall be given or transferred to the trustees for the time being of the Trust or to some other organisation or body having objects similar to those of the Company, or to another body the objects of which are wholly charitable.
12. The signature of the Company shall be:
  - 12.1 "Guernsey Sailing Trust LBG" with the addition of the signature(s) of one or more person(s) authorised generally or specifically by the Directors for such purpose; or
  - 12.2 the Common Seal of the Company (if any) countersigned by such person(s) as the Directors may at any time authorise in that behalf.

We, the several persons whose names and addresses are hereunto subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association


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Names and Addresses of Subscribers

Amount undertaken  
To be contributed

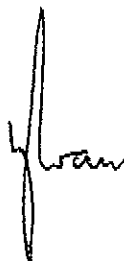
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John Reginald Le Prevost  
High Banks  
Les Fauconnaires  
St Andrews  
Guernsey  
GY6 8UG



£1.

Michael James Wall  
Highview  
La Rue des Frenes  
St Martin's  
Guernsey  
GY4 6HP

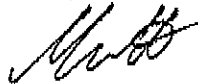


£1.

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Dated this 19 day of December 2003

WITNESS to the above signatures:-



NAME: MATTHEW PAUL TORTEVIN  
ADDRESS: LE CARZLLON

RUE DE L'EGLISE  
ST. MARTIN'S  
GUERNSEY  
GY4 6NS

OCCUPATION: FUND OFFICER

THE COMPANIES (GUERNSEY) LAWS, 1994 to 1996 (as amended)

THE GUARANTEE COMPANIES ORDINANCE, 1997

COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL

ARTICLES OF ASSOCIATION

of

GUERNSEY SAILING TRUST LBG

## INTERPRETATION

### 1. Definitions

- 1.1 In these Articles and the Memorandum of Association of the Company the words standing in the first column of the table next hereinafter contained, shall bear the meanings set opposite to them respectively in the second column thereof if not inconsistent with the subject or context:-

#### Words

#### Meanings

"Articles"

these Articles of Association as altered from time to time and the expression "this Article" shall be construed accordingly.

"clear days"

in relation to the period of a notice means that period excluding the day when the notice is given or deemed given and the day for which it is given or on which it is to take effect.

"month"

a calendar month.

"office"

the registered office from time to time of the Company.

"officer"

includes the secretary and the treasurer for the time being.

"register"

the register of members of the Company.

"seal"

any common or official seal that the Company may be permitted to have under the Statutes or either of them as the case may require.

"secretary"

the secretary, or if there are joint secretaries any one of the joint secretaries of the Company, and includes an assistant or deputy secretary and any person appointed by the Directors to perform any of the duties of the secretary.

<b>"Statutes"</b>	every statute (including any orders, regulations or other subordinate legislation made under it) from time to time in force concerning companies in so far as it applies to the Company.
<b>"Director"</b>	a director from time to time of the Company.
<b>"Directors"</b>	the directors from time to time of the Company or the directors present at a meeting of the directors at which a quorum is present.

1.2 Unless the context otherwise requires:

- 1.2.1 words in the singular include the plural and vice versa;
- 1.2.2 words importing any gender include all genders;
- 1.2.3 a reference to a person includes a reference to a body corporate or an unincorporated body of persons;
- 1.2.4 headings and notes are included only for convenience and shall not affect meaning;
- 1.2.5 references to a document being "executed" include references to its being executed under hand or under seal or by any other method;
- 1.2.6 references to "writing" include references to any method of representing or reproducing words in a legible and non-transitory form;
- 1.2.7 references to a "meeting" shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person;
- 1.2.8 words or expressions to which a particular meaning is given by the Statutes when these Articles or any part thereof are adopted bear (if not inconsistent with the subject matter or context) the same meaning in these Articles or that part (as the case may be) save that the word "company" shall include any body corporate.

**MEMBERS**

- 2. The maximum number of members which the Company is to have is one hundred.
- 3. The subscribers to the Memorandum of Company of the Company and such other persons as are admitted to membership in accordance with the Articles shall be members of the Company. No person shall be admitted as a member of the Company unless he is approved by the Directors in their absolute discretion. Every person who wishes to become a member shall deliver to the Company an application for membership in such form as the Directors require executed by the applicant.
- 4. Membership shall be limited to persons who are trustees of the Trust.
- 5. Membership shall not be transferable and shall cease on death or when a member ceases to be a trustee of the Trust.

6. Unless the Directors or the Company in general meeting make other provision, the Directors may in their absolute discretion permit any member of the Company to retire, but after that retirement the number of members is not to be less than two.
7. A member shall automatically cease to be a member of the Company if the Directors resolve after giving the member concerned a proper opportunity to be heard, that it is not in the interests of the Company that membership should continue.

#### **GENERAL MEETINGS**

8. **Annual General Meetings**

The Directors shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Statutes.

9. **Extraordinary General Meetings**

Any general meeting other than the annual general meeting shall be called an extraordinary general meeting.

10. **Location of Meetings**

All general meetings of the Company may be held at any place in Guernsey or elsewhere as the Directors may determine.

11. **Convening of Meetings**

The Directors may convene general meetings and, on the requisition of members pursuant to the Statutes, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition.

#### **NOTICE OF GENERAL MEETINGS**

12. **Length of Notice**

Written notice of the date, time and place of any general meeting, signed by the persons convening the meeting, shall be given to every member at least ten days before the day of the meeting, provided that all members entitled to attend and vote at the general meeting may in any particular case agree that a general meeting shall be deemed to have been duly called and notice of the intention to propose any special resolution shall be deemed to have been duly given notwithstanding that the meeting is called by less than ten days notice.

13. **Omission or Non-Receipt of Notice**

The accidental omission to give notice of a meeting or the accidental omission to send any document relating to any meeting to, or the non-receipt of any such notice or document by, any person entitled to receive the notice or document shall not invalidate the proceedings at that meeting.

## PROCEEDINGS AT GENERAL MEETINGS

### 14. Quorum

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Articles, four members present either in person or by proxy or in the case of a corporation by a duly authorised representative shall be a quorum for a general meeting.

### 15. Procedure if Meeting Inquorate

If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors may determine. If at the adjourned meeting a quorum is not present within fifteen minutes after the time appointed for the holding of the meeting, the meeting shall be dissolved.

### 16. Chairman of General Meeting

The members present and entitled to vote shall elect one of their number to be chairman.

### 17. Orderly Conduct

The chairman shall take such action or give directions for such action to be taken as he thinks fit to promote the orderly conduct of the business of the meeting as laid down in the notice of the meeting and the chairman's decision on matters of procedure or arising incidentally from the business of the meeting shall be final as shall his determination as to whether any matter is of such a nature.

### 18. Adjournments

The chairman may, with the consent of the 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 an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

## VOTING

### 19. Votes of Members

On a show of hands every member who is present in person at a general meeting of the Company shall have one vote, and on a poll every member who is present in person or by proxy shall have one vote.

## 20. Method of Voting

A resolution put to the vote of a meeting shall be decided on a show of hands unless, before or immediately after a vote has been taken on a show of hands, a poll is duly demanded. Subject to the provisions of the Statutes, a poll may be demanded:-

20.1 by the chairman; or

20.2 by any two or more of the members present,

and a demand by a person as proxy for a member shall be the same as a demand by the member. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

## 21. Withdrawal of Demand for a Poll

The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

## 22. Procedure for Taking a Poll

A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

## 23. When Poll to be Taken

A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

## 24. Notice of Poll

No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

## 25. No Casting Vote of Chairman

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall not be entitled to a casting vote in addition to any other vote he may have.

**26. Written Resolutions**

Anything that may be done by resolution (including a special resolution) passed at a general meeting of the Company may be done by resolution in writing signed by or on behalf of the members who, on the date the resolution is deemed to be passed would be entitled to vote on the resolution if it were proposed at a meeting. The written resolution may consist of several instruments in the same form each signed by or on behalf of one or more members. The resolution in writing shall be deemed to be passed when the instrument or last of several instruments is last signed or on such later date as may be specified in the resolution.

**27. Requisite Majority to Pass Written Resolution**

The resolution in writing shall be passed by the majority that it would have required if put to the vote on a poll at a general meeting at which the whole of the Company's membership was present in person.

**28. Notice of Proposed Written Resolution**

Notice specifying the proposed resolution in writing shall be given by the Company to each of the members not less than fourteen days (or such shorter period as the members may in any particular case agree) before the date on which the members are required to give their vote.

**29. Telephone Meetings**

The members may participate in a meeting of the Company by means of a conference telephone or any equipment which allows all persons participating in the meeting to speak to and hear each other. A person so participating shall be deemed to be present at the meeting and shall be entitled to vote and be counted in a quorum for so long as he is able to speak to and hear the other participants. Such a meeting is deemed to be held in the place in which the chairman of the meeting is present.

**30. Objections or Errors in Voting**

If:-

30.1 any objection is raised to the qualification of any voter; or

30.2 any votes have been counted which ought not to have been counted or which might have been rejected; or

30.3 any votes are not counted which ought to have been counted

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless it is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be conclusive.

**31. Votes on a Poll**

On a poll votes may be given either personally or by representative or by proxy (who need not be a member).

**PROXIES**

**32. Execution of Proxies**

An instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign it.

**33. Form of Proxy**

Instruments of proxy shall be in the following form or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve

"Guernsey Sailing Trust LBG  
I/We, \_\_\_\_\_, of \_\_\_\_\_, being a member/members of  
the above-named Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_, or failing  
him [ \_\_\_\_\_ ] of [ \_\_\_\_\_ ], as my/our proxy to vote in my/our name[s] and on  
my/our behalf at the annual/extraordinary general meeting of the Company to be held on  
[ \_\_\_\_\_ ], and at any adjournment thereof.  
Signed on \_\_\_\_\_."

**34. Instructions to Proxy How to Vote**

Where it is desired to afford members an opportunity of instructing the proxy how he shall act the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve):-

"Guernsey Sailing Trust LBG  
I/We, \_\_\_\_\_, of \_\_\_\_\_, being a member/members of the  
above-named Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_, or failing him [ \_\_\_\_\_ ]  
of [ \_\_\_\_\_ ], as my/our proxy to vote in my/our name[s] and on my/our behalf at  
the annual/extraordinary general meeting of the Company to be held on [ \_\_\_\_\_ ],  
and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No 1 \*for/against

Resolution No 2 \*for/against.

\*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed on \_\_\_\_\_."

**35. Delivery of Proxies**

The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may:-

- 35.1 be deposited at the office or at such other place as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- 35.2 in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- 35.3 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any Director, and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.

**36. Cancellation of Proxy's Authority**

A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

**37. Representatives of Corporations**

A corporation 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 at any meeting of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

**APPOINTMENT AND RETIREMENT OF DIRECTORS**

**38. Number of Directors**

Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate Directors) shall not be less than two and shall not be subject to any maximum.

**39. First Directors**

The first Directors shall be appointed by the subscribers to the Memorandum of Association and their term of office shall expire at the first annual general meeting.

**40. Power to Appoint Directors**

The Company (by ordinary resolution) or the Directors may appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director provided that the appointment does not cause the number of Directors to exceed any maximum number fixed in accordance with these Articles or the Company in General Meeting. A Director so

appointed shall hold office only until the next following annual general meeting. Nominations in writing shall be made by any member delivered to the secretary at least three days prior to the general meeting, together with the written consent of the nominee.

**41. Retirement of Directors**

A retiring Director shall remain in office until the dissolution or adjournment of the meeting at which his successor is elected.

**DISQUALIFICATION AND REMOVAL OF DIRECTORS**

**42. The office of a Director shall be vacated if:-**

- 42.1 he resigns his office by notice in writing delivered to the office or tendered at a meeting of the Directors but only if the minimum number of Directors fixed by these Articles or the Company in general meeting will remain in office when the notice of resignation is to take effect; or
- 42.2 he is or has been suffering from mental ill health or becomes a patient for any purpose of any statute relating to mental health and the Directors resolve that his office is vacated; or
- 42.3 he ceases to be a Director by virtue of any provision of the Statutes or he becomes prohibited or disqualified by law from being a director; or
- 42.4 he has his affairs declared "en désastre" or has a preliminary vesting order made against his Guernsey realty, becomes bankrupt, suspends payment or compounds with his creditors, or is adjudged insolvent or any analogous event occurs under the laws of any jurisdiction; or
- 42.5 he is convicted of an offence involving dishonesty;
- 42.6 he is removed from office pursuant to these Articles; or
- 42.7 by notice in writing delivered to the office or tendered at a meeting of the Directors, his resignation is requested by all the other Directors being not less than four in number.

If the office of a Director is vacated for any reason, he shall cease to be a member of any committee or sub-committee of the Directors.

**43. Removal of Directors by Ordinary Resolution-**

The Company in general meeting may by ordinary resolution remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim the Director may have for damages for breach of any contract of service between him and the Company.

**44. Appointment of Alternate Directors**

Any Director (other than an alternate Director) may appoint any other Director, or any other person approved by resolution of the Directors and willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him.

**45. Notice of Appointment or Removal of Alternate Directors**

Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.

**46. Entitlements and Powers of Alternate Directors**

An alternate Director shall be entitled to receive notice of all meetings of the Directors and of all meetings of committees of the Directors of which his appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in his absence and shall be entitled to be paid expenses and to be indemnified by the Company to the same extent as if he were a Director but shall not be entitled to receive any remuneration from the Company for his services as an alternate Director. Save as otherwise provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him. An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director.

**REMUNERATION, EXPENSES AND BENEFITS**

**47. Remuneration**

No Director shall receive any payment or other benefit from the Company other than any out-of-pocket expenses reasonably and properly incurred by him in connection with his attendance at meetings of the Directors or committees of the Directors or general meetings and the conduct of the Company's business or in discharge of his duties as a Director or officer, or otherwise in his capacity as an employee of the Company.

**POWERS AND DUTIES OF THE DIRECTORS**

**48. General Powers of Management Vested in the Directors**

Subject to the provisions of the Statutes, the Memorandum of Association and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Memorandum of Association or these Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the Directors by these Articles and a meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors.

**49. Borrowing**

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and

future) and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

**50. Committees**

50.1 The Directors may appoint one or more committees consisting of two or more individuals to perform any function or duty which in their opinion would be more conveniently undertaken or carried out by a committee provided that (unless the Directors otherwise resolve) at least one member of every committee must be a Director and all acts and proceedings of any such committee shall be fully and promptly reported to the Directors

50.2 Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by these Articles regulating the proceedings of Directors so far as they are capable of applying.

**51. Appointment of Agents**

The Directors may, subject to any restriction thereon contained in the Statutes, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as it may determine, including authority for the agent to delegate all or any of his powers. Such appointment may contain such provisions for the protection and convenience of persons dealing with the agent as the Directors may think fit and may authorise the agent to sub-delegate all or any of the powers vested in him.

**52. Requirements for Power of Attorney**

A power of attorney shall be signed by at least one Director or in such manner and by such person(s) as the Directors may from time to time determine.

**PROCEEDINGS OF THE DIRECTORS**

**53. Directors Meetings**

Subject to the provisions of these Articles, the Directors may regulate their proceedings as they think fit. A Director may, and the secretary at the request of a Director shall, call a meeting of the Directors. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote and should vote, where applicable, to maintain the status quo. A Director who is also an alternate Director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.

**54. Quorum**

The quorum for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be two Directors. A person who holds office only as an alternate Director shall, if his appointor is not present, be counted in the quorum.

**55. Directors Below Minimum by Reason of Vacancies**

The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a general meeting.

**56. Appointment of Chairman**

The Directors may appoint one of their number to be the chairman of the Directors and may at any time remove him from that office. Unless he is unwilling to do so, the Director so appointed shall preside at every meeting of the Directors at which he is present. But if there is no Director holding that office, or if the Director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be chairman of the meeting.

**57. Validity of Acts of Directors or Committee**

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

**58. Resolutions in Writing**

A resolution in writing signed by all the Directors entitled to receive notice of a meeting of the Directors or of a committee of the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors or (as the case may be) a committee of the Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity.

**59. Telephone Meetings of the Directors**

All or any of the Directors or any committee of the Directors may participate in a meeting of the Directors or the respective committee by means of a conference telephone or any equipment which allows all persons participating in the meeting to speak to and hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum for so long as he is able to speak to and hear the other participants. Such a meeting is deemed to be held in the place in which the chairman of the meeting is present.

**60. Determination of Questions as to Right to Vote**

If a question arises at a meeting of the Directors or of a committee of the Directors as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive.

## **DIRECTOR'S INTERESTS**

### **61. Personal Interest**

Whenever a Director has a personal interest in a matter to be discussed at a meeting of the Directors or a committee the Director concerned must:

- 61.1 declare such interest at or before discussion begins on the matter;
- 61.2 withdraw from the meeting for that item of business unless expressly invited to remain in order to provide information;
- 61.3 withdraw during the vote and have no vote on the matter.

## **SECRETARY**

### **62. Appointment and Removal of Company Secretary**

Subject to the provisions of the Statutes, the secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as the Directors may think fit; and any secretary so appointed may be removed by the Director. A sole Director shall not also be secretary of the Company.

## **RULES**

63. The Directors may from time to time make such rules as they may deem necessary or expedient or convenient for the proper conduct and management of the Company and for the purposes of prescribing classes of and conditions of membership, and in particular but without prejudice to the generality of the foregoing, they may by such rules regulate:

- 63.1 the admission and classification of members of the Company (including the admission of organisations to membership) and the rights and privileges of such members, and the conditions of membership and the terms on which members may resign or have their membership terminated;
- 63.2 ethical standards to be observed by Directors and officers of the Company on Company business;
- 63.3 the conduct of members of the Company in relation to one another and to the Company's employees;
- 63.4 the setting aside of the whole or any part of or parts of the Company's premises at any particular time or times or for any particular purpose or purposes;
- 63.5 the procedure at general meetings and meetings of the Directors and committees of the Directors in so far as such procedure is not regulated by these Articles;
- 63.6 generally, all such matters as are commonly the subject matter of company rules.

64. The Company in general meeting shall have power to alter, add to or repeal the rules and the Directors shall adopt such means as they think sufficient to bring to the notice of members of the Company all such rules, which shall be binding on all members of the Company.

65. No rule made under Article 63 shall be inconsistent with, or shall affect or repeal anything contained in the Memorandum of Association of the Company or these Articles.

#### **SEALS**

66. **Common Seal**

The Directors may resolve that the Company shall have a common seal. However, if the Company has a common seal, it shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the secretary or by a second Director.

67. **Official Seal for Use Abroad**

The Company may have for use in any territory, district or place outside the Island of Guernsey an official seal in the form prescribed, and to be affixed in accordance with the Statutes and the resolution of the Directors to the extent permissible under the Statutes.

#### **MINUTES**

68. **Minute Books**

The Directors shall cause minutes to be made in books kept for the purpose:-

68.1 of all appointments of officers made by the Directors; and

68.2 of all proceedings at meetings of the Company, of the Directors, and of committees of Directors, including the names of those present at each such meeting.

#### **INCOME OF THE COMPANY**

##### **Application**

69. The income and receipts of the Company shall be applied solely towards the promotion of the objects of the Company as the Directors may from time to time think fit (and in particular the Directors shall have power to transfer all or any part of such income to trustees to be applied by them for the advancement of the objects of the Company in such manner as they shall think best) provided that nothing in these Articles shall prevent the payment of reasonable and proper remuneration to any employee of the Company.

#### **ACCOUNTS**

70. **Records to be Kept**

The Directors shall cause to be kept accounting records which are sufficient to show and explain the Company's transactions, and such as to disclose with reasonable accuracy at any time the financial position of the Company and to enable the Directors to ensure that its balance sheet and profit and loss account are prepared properly and in accordance with the Statutes.

**71. Inspection of Records**

No member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by the Statutes, ordered by a court of competent jurisdiction, authorised by the Directors or by ordinary resolution of the Company.

**NOTICES**

**72. Form of Notices**

Any notice to be given to or by any person pursuant to these Articles shall be in writing except that a notice calling a meeting of the Directors need not be in writing.

**73. Service of Notices**

The Company may give any notice to a member:-

73.1 personally;

73.2 by sending it by post in a prepaid envelope addressed to the member at his registered address;

73.3 by leaving it at the registered address; or

73.4 by sending it by facsimile, telex or electronic mail to the number or address supplied by the member for the purpose of serving notices on him.

**74. Deemed Notice**

A member present, either in person or by proxy, at any meeting of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

**75. Time When Notice Deemed Served**

Any notice shall be deemed to have been served in the case of posting in the Bailiwick of Guernsey to an address in the Bailiwick on the second day following the date of posting and in the case of posting in the Bailiwick to an address outside the Bailiwick on the fifth day following the date of posting. In the case of service of any notice by facsimile, telex or electronic mail such notice shall be deemed to have been served on the business day following the date of transmission of such notice.

**76. Proof of Service**

In proving service of any notice by post it shall be sufficient to prove that the notice was properly addressed, stamped and posted. In the case of service of any notice by facsimile, telex or electronic mail it shall be sufficient to prove receipt by the sender of a confirmed transmission report.

## WINDING UP

### 77. Distribution of Surplus

Clause 11 of the Memorandum of the Company relating to the winding up and dissolution of the Company shall have effect as if the provisions thereof were repeated in these presents.

### 78. Distribution of Assets Otherwise than in Cash

The liquidator may divide amongst the persons entitled on the dissolution of the Company, in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between those persons. The liquidator may vest the whole or any part of such assets in the Directors upon such trusts for the benefit of those persons as the liquidator shall think fit.

## INDEMNITY

### 79. Indemnity for Officers, etc

Subject to the Statutes every Director or other officer, auditor, and, if the Directors so determines, any servant, agent or employee of the Company shall be indemnified out of the assets of the Company against all losses or liabilities sustained or incurred in or about the execution of his duties or otherwise in relation thereto, including any liability incurred by him in defending 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 in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

### 80. Insurance

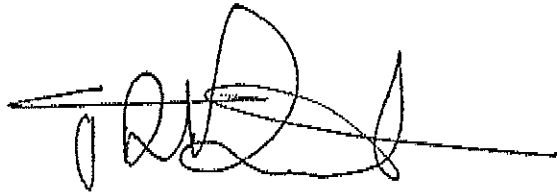
The Company may provide indemnity insurance to cover the liability of the Directors or other officers which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty in relation to the Company:

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Names, Addresses and Descriptions of Subscribers

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John Reginald Le Prevost  
High Banks  
Les Fauconnaires  
St Andrews  
Guernsey  
GY6 8UG



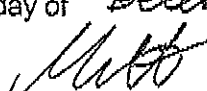
Michael James Wall  
Highview  
La Rue des Frenes  
St Martin's  
Guernsey  
GY4 6HP



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Dated this 19 day of December 2003

WITNESS to the above signatures:-

  
NAME: MATTHEW PAUL TUSTEVIN  
ADDRESS: LE CARILLON  
RUE DE L'EGLISE OCCUPATION: FUND OFFICER  
ST. MARTIN'S  
GUERNSEY  
GY4 6NS