

**THE COMPANIES ACT, CAP 46:03**

---

**COMPANY LIMITED BY GUARANTEE**

---

**MEMORANDUM**

**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**SUSTAINABLE RURAL COMMUNITY DEVELOPMENT  
ORGANISATION (SURCOD)**

Incorporated this      day of      2009

**COMPANIES ACT**  
**(CAP 46:03 OF THE LAWS OF MALAWI)**

**COMPANY REGISTRATION NO. ....**

**REGISTRATION STATEMENT**  
**(SECTION 14)**

NAME OF COMPANY : SUSTAINABLE RURAL COMMUNITY  
DEVELOPMENT ORGANISATION  
(SURCOD)

1. SITUATION OF REGISTRATION : BLANTYRE CITY CENTRE

2. POSTAL ADDRESS OF : P.O. BOX 45 CHIDIDI NSANJE  
REGISTRATION OFFICE

3. SIGNED BY OR ON BEHALF : .....  
OF THE SUBSCRIBERS

DATED THIS ..... DAY OF ..... 2009

(See overleaf for particulars of First Directors of Company and Particulars of First Secretary)

**PARTICULARS OF FIRST DIRECTORS OF THE COMPANY**

FULL NAMES	FORMER OR OTHER NAMES	RESIDENTIAL ADDRESS	POSTAL ADDRESS	OCCUPATION	SIGNATURE
January Watchman Mvula		World Vision Malawi, Private Bag 3, Chitipa	World Vision Malawi, Private Bag 3, Chitipa	Data Processing Officer/ Community Development Worker	
Manale Jimu		Area 43 P. O. Box 30887, Lilongwe 3.	P. O. Box 30887, Lilongwe 3.	Procurement Specialist	
Frank Charles Kasonga		Chilobwe Township P. O. Box 2793, Blantyre	CAVWOC, P. O. Box 2793, Blantyre	Paralegal	
Daniel William Phiri		Magulugulu Village C/O P.O. Box 33, Nsanje.	C/O P.O. Box 33, Nsanje.	Retired Teacher	
Grace Robert Nyangulu		C/O Private Bag 50, Blantyre	C/O Private Bag 50, Blantyre	Technician	
Hendrix Masamba		Chagambatuka Village P.O. Box 23, Chikwawa	P.O. Box 23, Chikwawa	Farmer	
Ireen Mbisa		Tondola Trading Centre C/O P/Bag 3 Chitipa	C/O P/Bag 3 Chitipa	Teacher	

**PARTICULARS OF FIRST SECRETARY**

FULL NAMES	FORMER OR OTHER NAMES	RESIDENTIAL ADDRESS	POSTAL ADDRESS	OCCUPATION	SIGNATURE
Mr. January W. Mvula		World Vision Malawi, Private Bag 3, Chitipa	World Vision Malawi, Private Bag 3, Chitipa	Data Processing Officer	

Registrar of Companies

17 MAY 2010

P.O. Box 100  
Blantyre

**COMPANIES ACT**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**INVEST INC LIMITED**

1. The name of the company is **SUSTAINABLE RURAL COMMUNITY DEVELOPMENT ORGANISATION (SURCOD) INC LIMITED.**
2. The Registered Office of the Company shall be situated at Chikwawa Boma.

The objective for which the Company is established is to facilitate development based on self-dependency and self sufficiency of the rural people through effective implementation, promotion and support of integrated rural development projects with full participation, ownership and empowerment for beneficiaries through promotion of rights based approaches, though but not limited to the following:

- a) To improve food security and house hold income among the rural communities
  - b) To improve health status of the rural communities through water and sanitation, HIV prevention and sustainable use of ARV's, malaria prevention and community based treatment of minor elements
  - c) To improve quality education and adult literacy levels
  - d) To improve soil fertility water conservation techniques and natural resources management
  - e) To improve the attitude, skills, and knowledge of staff, partners and project beneficiaries
  - f) To promote awareness of Gender and Human rights issue
  - g) Provision of sound Christian teaching and discipleship.
4. The income and property of the Company shall be applied solely towards the promotion of the objects of the Company, and no portion therefore shall be paid or transferred directly or indirectly to the members of the company except as may be permitted by law.
  5. In relation to its status as a limited company, no person[s] by reason of any association with the company or for any reason shall have the rights to property of the company or be liable to the obligations of the company.
  6. The liability of the members is limited.
  7. Each member of the Company undertakes to contribute to the asserts of the Company in the event of its being wound up while he is a member for payment of debts and liabilities of the company and the costs of winding up and for the adjustments of the rights of the members among themselves such amount as may be required not exceeding K10, 000.00 (Ten Thousand

Malawi Kwacha)

8. Any excess of income over expenditure, whether current or accumulated, may not be divided amongst or accredited to, accrue to the benefit of any person except by way of remuneration for services rendered or reimbursement of expenses incurred on behalf of the Company. Furthermore, any funds applied for the purpose of producing further income to provide a reserve fund for the objects of the company.
9. If upon the dissolution or winding-up of the company remains after the discharge of its debts and liabilities any property of the company, such property shall not be distributed among the members but shall be transferred to some other company limited by guarantee having objects similar to the objects of the company or applied to some charitable object, such other company or charity to be determined by ordinary resolutions of the members in general meeting prior to the dissolution of the company.
10. The company is a private charitable non profit making entity and accordingly:
  - a) The number of members of the company (exclusive of persons who are *bona fide* in the employment of the company and persons who, having been formerly *bona fide* in the employment of the company, were while in that employment, and have continued after that employment to be, members of the company) is limited to 50 (fifty);
  - b) The company is prohibited from making any invitation to the public to acquire any of its shares or debentures; and

We, the several persons whose names and addresses are subscribed, wish to be formed into a company limited by guarantee in pursuance of this Memorandum of Association.

<b>FULL NAMES</b>	<b>FORMER OR OTHER NAMES</b>	<b>RESIDENTIAL ADDRESS</b>	<b>POSTAL ADDRESS</b>	<b>OCCUPATION</b>	<b>SIGNATURE</b>
January Watchman Mvula		Box 45 Chididi, Nsanje Malawi	World Vision Malawi, Private Bag 3, Chitipa	Project Manager/ Development worker	
Manale Jimu		Soche Township Blantyre	College of Medicine, P. O. Box 30887, Lilongwe 3.	Procurement Specialist	
Frank Charles Kasonga		Chilobwe Township Blantyre	CAVWOC, P. O. Box 2793, Blantyre	Paralegal / Project Officer	
Daniel William Phiri		Magulugulu vg TA Malemia Nsanje Boma	C/O P.O. Box 33, Nsanje.	Retired Teacher	
Grace Robert Nyangulu		Sekeni Village Paramount Chief Lundu Nchalo, Chikwawa	C/O Private Bag 50, Blantyre	Technician	
Paul Divala Belo		Masona vg TA Malemia Nsanje	P.O. Box 23, Chikwawa	Community Development Officer	

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 2008

Witness to the above signatures:

Witness:

Address:

Occupation:

**THE COMPANIES ACT**  
**(CAP 46:03 OF THE LAWS OF MALAWI)**

**ARTICLES OF ASSOCIATION**  
**OF**  
**INVEST INC LIMITED**

**Preliminary**

1. Subject as hereinafter provided, the regulations contained in Table A in the First Schedule to the Companies Act (CAP 46:03) shall apply to the company, but in case of any variation or inconsistency between these articles and Table A these articles shall prevail.
2. The company is a private company and accordingly:
  - a) The right to transfer shares is restricted in manner hereinafter prescribed.
  - b) The number of members of the company (exclusive of persons who are bona fide in the employment of the company and persons who, having been formerly bona fide in the employment of the company, were in that employment and have continued after that employment to be, members of the company) is limited to fifty. Provided that, where two or more persons hold one or more shares in the company jointly, they shall, for purposes of this Article be treated as a single member.
  - c) Any invitation to the public to subscribe for any shares or debentures of the company is prohibited.

**Interpretation**

3. In these articles-

"the Act" means the Companies Act (Cap. 46:03) of the Laws of Malawi and as further amended from time to time;

"the seal" means the common seal of the company;

"secretary" means any person appointed to perform the duties of the secretary of the company.

Unless the context otherwise requires, words or expressions contained in these articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these articles become binding on the company.

### **Control of Unissued Shares**

4. The allotment or disposal of any unissued shares in the existing capital of the Company and of any new shares in any increased capital, or the terms upon which such shares may be issued or disposed of, shall be decided by special Resolution of the Company provided that the special Resolution of the Company may empower the Directors to allot or dispose of the same upon such terms and conditions as the Directors in their discretion think fit.

### **Share Capital and Variation of Rights**

5. Without prejudice to any special rights previously conferred on the holders of the existing shares or class of shares, but subject to the Act, shares in the company may be issued by the directors and any such share 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 directors, subject to any ordinary resolution of the company, determine.
6. Subject to the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the company are, liable to be redeemed.
7. Save as otherwise directed by the Company in general meeting the shares in the original or any increased, reduced or varied capital of the Company shall on issue be offered to the members in proportion as nearly as possible to the normal value of the existing shares held by them. Any such offer shall be open for acceptance for not less than three weeks from the date of dispatch of the same. Any shares which, by reason of the ration of the shares to be issued bear to the share held by persons entitled to an offer thereof, cannot, in the opinion of Directors, conveniently be offered under this article shall be at the disposal of the Directors who may allot grant options over or otherwise dispose of the same to such persons at such time and on such terms as they think proper.
6. If at any time the share capital is divided into different classes of shares, then provided three-fourths of the holders of the other classes first agree by written resolution, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these articles relating to general meetings shall *mutatis mutandis* apply, but subject to the following provisions –
  - a) where a class has only one member, that member shall constitute a meeting;
  - b) at any meeting of a class of members, one member of the class present in person or by proxy may demand a poll;
  - c) at any meeting of a class of members other than an adjourned meeting, the necessary quorum shall be one member present in person or by proxy, if there are not more than two members of that class, and in any other case shall be two members present in person or by proxy, holding not less than

one-third of the total voting rights of that class; and

- d) at any adjourned meeting of a class of members, the necessary quorum shall be one member of that class.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking equally therewith.
8. The company may exercise the powers of paying commissions conferred by the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the commission shall not exceed the rate of 10% (ten per cent) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to ten per cent of that price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully paid shares or partly in one way and partly in the other. The company may also on any issue of shares pay such brokerage as may be lawful.
9. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future, or partial interest in any share or (except only as by these articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
10. Every person whose name is entered as a member in the register of members shall be entitled without payment to receive a certificate under the seal of the company in accordance with the Act but in respect of a share or shares held jointly by several persons the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
11. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of a fee of One Kwacha or such less sum and on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the company of investigating such evidence as the directors think fit.

### Lien

12. The company shall have a first and paramount lien on every share for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the company shall also have a first and paramount lien on all shares standing registered in the name of a single person for all moneys presently payable by him or his estate to the company; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The company's lien, if any, on a share shall extend to all dividends payable thereon.
13. The company may sell, in such manner as the directors think fit, any shares on which the company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of 14 (fourteen) days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy or liquidation of the registered holder.

14. To give effect to any such sale the directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be effected by any irregularity or invalidity in the proceedings in reference to the sale.
15. The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

### **Calls on Shares**

16. The directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall exceed  $\frac{1}{4}$  (one-fourth) of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call, and each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the directors may determine.

### **Time When Call Made**

17. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed and may be required to be paid by instalments.

### **Joint Holders**

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

### **Interest**

19. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding five per cent per annum as the directors may determine, but the directors shall be at liberty to waive payment of such interest wholly or in part.

### **Sums Deemed to be Calls**

20. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these regulations be deemed to be a call duly made and payable on the date on which the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these regulations

as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

### **Advance of Payments**

21. The directors may, on the issue of shares, differentiate between holders as to the amount of calls to be paid and the times of payment.
22. The directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become payable) pay interest at such rate not exceeding (unless the company in general meeting shall otherwise direct) five per cent per annum, as may be agreed upon between the directors and the member paying such sum in advance.

### **Restriction on Member**

No member shall be entitled to receive any dividend or to be present or to vote on any question, either personally or by proxy, at any General Meeting, or upon a poll, or to be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares held by him, whether alone or jointly with any other person.

### **Transfer of Shares**

23.
  - a) The instruments of transfer of any share shall be executed by or on behalf of the transferor and transferee in any usual or common form approved by the Directors from time to time and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.
  - b) A share in the Company may be transferred by a member or other person entitled to transfer to any person selected by the Transferor but no share shall be transferred to a person selected by the Directors as one whom it is desirable in the interest of the Company to admit to membership is willing to purchase the same at the fair value.
  - c) In order to ascertain whether any member or person selected as aforesaid is willing to purchase a share, the proposing Transferor shall give notice in writing (hereinafter called the "Transfer Notice") to the Company that he desires to transfer the same. Such notice shall specify the sum he fixes as the fair value, and shall constitute the Company his agent for the sale of the share to any member of the Company, or to the person selected as aforesaid, at the price so fixed, or, at the option of the purchaser, at the fair value to be fixed by the Auditor for the time being of the Company or an Accountant in accordance with these articles. The transfer Notice may include several shares and in such case shall operate as it were separate notice in respect of each. The Transfer Notice shall not be revocable except with the sanction of the Directors.
  - b) If the company shall within the space of three (3) months after being served with such notice shall find a member or person selected as aforesaid willing to purchase the share (hereinafter called "the purchasing member") and shall give notice thereof to the proposing Transferor he shall be bound upon

payment of the fair value, to transfer the share to the purchasing member who shall be bound to complete the purchase within fourteen days from the service of such last-mentioned notice.

- c) The directors shall, with a view to finding a purchasing member, offer at the fair value any shares comprised in a transfer notice to the persons then holding the remaining shares in the company as nearly as may be in proportion to their respective holdings of shares in the company and shall limit a time within which such offer if not accepted in whole or in part shall be deemed to be declined, and shall notify to such persons that any such person who desires to purchase shares in excess of his said proportion shall in his reply state how many additional shares he desires to purchase at the fair value, and if all such persons do not accept their said proportions in full the unaccepted shares shall be used for satisfying the said claims for additional shares. If there shall be insufficient of the said unaccepted shares to satisfy in full all such claims for additional shares, the said unaccepted shares shall be distributed amongst persons making such claims as nearly as may be in proportion to the said respective holdings of shares in the company provided that no person shall be bound to take more additional shares than those he shall have offered to purchase. The directors shall make such arrangements as regards the findings of a purchasing member for any shares not accepted or claimed as aforesaid within the time so limited as they shall think just and reasonable.
- d) In any case where any difference arises between the Proposing Transferor and the Purchasing Member as to the "fair value" of the share, the Auditor for the time being of the company, or, failing which, an A shall, on the application of the directors certify in writing the sum which, in his opinion, is the fair value, and such sum shall be deemed to be the fair value, and in so certifying the auditor shall be considered to be acting as an expert, and not as an arbitrator, and accordingly the Arbitration Act shall not apply.
- e) If in any case the proposing transferor, after having become bound as aforesaid, makes default in transferring the share, the company may receive the purchase money, and shall thereupon cause the name of the purchasing member to be entered in the register as the holder of the share, and shall hold the purchase money in trust for the said proposing transferor. The receipt of the company for the purchase money shall be a good discharge to the purchasing member, and after his name has been entered in the register, in purported exercise of the aforesaid power, the validity of the proceedings shall not be questioned by any person. The proposing transferor shall in such case be bound to deliver up his certificate for the said shares, and on such delivery shall be entitled to receive the said purchase price, without interest, and if such certificate shall comprise any shares which he has not become bound to transfer as aforesaid the company shall issue to him a balance certificate for such shares.
- f) If the company shall not within the space of three (3) months after being served with the transfer notice find a purchasing member and give notice in manner aforesaid, the proposing transferor shall, at any time within two (2) months afterwards, be at liberty to sell and transfer the shares (or those not placed) to any person, and at any price.
- g) The directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share, whether or not it

is a fully paid share.

- h) If the directors refuse to register a transfer they shall within two months after the date on which the transfer was lodged with the company send to the transferee notice of the refusal.
- i) The registration of transfers may be suspended at such times and for such periods as the directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year.
- j) The shares of the deceased members may be transferred by his Executor and/or Legal Representative to any child, grand child, widow, widower, brother, sister parent of such deceased member upon whom such shares may devolve either by testate or intestate succession.

### **Transmission of Shares**

- 24. In case of the death of a member the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder or last survivor of joint holders, shall be the only persons recognised by the company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- 25. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly be required by the directors and subject as hereinafter provided, elect either to be registered himself as a holder of the share or to have some person nominated by him registered as the transferee thereof, 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 that member before his death or bankruptcy, as the case may be.
- 26. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.
- 27. Where the registered holder of any share dies or becomes bankrupt his personal representative or the assignee of his estate, as the case may be, shall be entitled to the same dividends and other advantages as the registered holder would have been entitled to if he had not died or become bankrupt, and to the same rights and remedies as if he were a member of the company, except that he shall not, before

being registered as a member in respect of the share, be entitled to vote at any meeting of the company:

Provided that the company may at any time give notice requiring any such personal representative or assignee to elect either to be registered himself or to transfer the share and if the notice is not complied with within three months the company may thereafter suspend payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

Where two or more persons are jointly entitled to any share in consequence of the death of the registered holder they shall, for the purposes of these regulations, be deemed to be joint holders of the share.

### **Forfeiture of Shares**

28. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the directors may at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment or so much of the call or instalment as is unpaid, together with any interest and expenses which may have accrued.
29. The notice shall name a further day (not being less than fourteen days from the date of the notice) on or before which and the place where the payment required by the notice is to be made and shall state that in the event of non-payment at or before the time and at the place appointed the shares in respect of which such call was made or instalment is payable will be liable to be forfeited. The directors may accept the surrender of any share liable to be forfeited hereunder and in such case, references herein to forfeiture shall include surrender.
30. If the requirements of any such notice as aforesaid be not complied with, any share in respect of which such notice has been given may at any time thereafter before payment of all calls or instalments, interest and expenses, due in respect thereof has been made, be forfeited by a Resolution of the directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.
31. When any share has been forfeited, notice of the forfeiture shall forthwith be given to the holder of the share or the person entitled to the share by reason of the death, bankruptcy or liquidation of the holder (as the case may be) but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.
32. A forfeited share shall be deemed to be the property of the company and may be sold, re-allotted or otherwise disposed of either to the person who was, before forfeiture, the holder thereof or entitled thereto or to any person upon such terms and in such manner as the directors shall think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors may think fit, provided that re-allotments and sales of forfeited shares shall be subject to the provisions of respectively articles 23 and 37.

33. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the company all moneys which at the date of forfeiture were presently payable by him to the company in respect of the shares with interest thereon at such rate as the directors may determine, not exceeding ten per cent per annum, from the date of forfeiture until payment.
34. A statutory declaration in writing that the declarant is a director or the secretary of the company and that a share has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The company may receive the consideration (if any) given for the share on the sale or disposition thereof and may authorise some person to execute a transfer of the share in favour of the person to whom the same is sold or disposed of and such person shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
35. The provisions of these presents as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **Alteration of Capital**

36. The company may from time to time by ordinary resolution-
- a) increase the share capital by new shares of such amount as the resolution shall prescribe;
  - b) consolidate and divide all or any of its share capital into shares of larger amount;
  - c) subdivide its shares or any of them into shares of smaller amount;
  - d) 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.
37. Unless the company otherwise resolves, all new shares shall first be offered to such persons as at the date of the offer are entitled to receive notices of general meetings in proportion, as nearly as possible, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares

offered, the directors may dispose of these shares in such manner as they think most beneficial to the company. The directors may likewise so dispose of any odd shares which (by reason of the ratio which the new shares bear to the shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under this regulation.

38. The company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any incident authorized and consent required by law.

### **General Meetings**

39. The company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than 15 (fifteen) months shall elapse between the date of one annual general meeting of the company and that of the next:

Provided that-

- a) so long as the company holds its first annual general meeting within 18 (eighteen) months of its incorporation, it need not hold it in the year of its incorporation or in the following year; and
  - b) if all the members of the company entitled to attend and vote at any annual general meeting agree in writing that an annual general meeting shall be dispensed with in any year, it shall not be necessary to hold an annual general meeting that year.
40. All general meetings other than annual general meetings shall be called extraordinary general meetings.
41. The directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on the requisition of members as provided by section 106 of the Act. If at any time there are not within Malawi sufficient directors capable of acting to form a quorum, any director or any two members of the company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the directors.

### **Notice of General Meetings**

42. An annual general meeting and a meeting called for the passing of a special resolution shall be called by 21 (twenty one) days' notice in writing at the least, and a meeting of the company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by 14 (fourteen) days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the company in general meeting, to such persons as are, under the Act or the articles of the company, entitled to receive such notices from the company:

Provided that a meeting of the company shall, notwithstanding that it is called by shorter notice than that specified in this article, be deemed to have been duly called if it is so agreed-

- a) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
  - b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent of the total voting rights at that meeting of all the members.
43. Notices of general meetings shall be accompanied by any statements required to be circulated therewith on behalf of members in accordance with sections 117 and 118 of the Act.
44. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

#### **Proceedings at General Meetings**

45. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the directors and auditors, the election of directors in the place of those retiring, the fixing of the remuneration of the directors and the appointment of, and the fixing of the remuneration of, the auditors.
46. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, 2 (two) persons being members or holding proxies from members shall be a quorum.
47. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members then present or represented by proxy shall be a quorum.
48. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the company, or if there is no such chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, the members present shall choose one of their number to be chairman of the meeting.
49. The chairman may, with the consent of any 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 30 (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 adjournment or of the

business to be transacted at an adjourned meeting.

50. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded-
- a) by the chairman; or
  - b) by at least 3 (three) members present in person or by proxy; or
  - c) by any member or members present in person or by proxy and representing not less than one-twentieth of the total voting rights of all the members having the right to vote at the meeting.

Unless a poll be so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn.

51. Except as provided in article 53, if a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
52. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
53. 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 at such time as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.
54. Subject to the provisions of the Act, 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 bodies corporate or unincorporated associations, by their duly authorized representatives) shall be as valid and effective as if it had been passed at a general meeting of the company duly convened and held.

### **Votes of Members**

55. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote, and on a poll every member shall have one vote for each share of which he is the holder.
56. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
57. No member shall be entitled to vote at any general meeting unless all sums presently

payable by him in respect of shares in the company have been paid.

- 58. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.
- 59. On a poll, votes may be given either personally or by proxy.
- 60. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a body corporate, either under seal, or under the hand of an officer or attorney duly authorised. A proxy need not be a member of the company.
- 61. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the company or at such other place within Malawi as is specified for that purpose in the notice convening the meeting, not less than forty eight hours before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- 62. An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit-

**INVEST INC LIMITED**

I/We ..... of  
 ..... (address), being a member/members of the  
 above-named company, hereby appoint  
 ..... of  
 ..... or failing him  
 ..... of  
 ..... as my/our proxy to vote for me/us on  
 my/our behalf at the (annual or extraordinary, as the case may be) general meeting  
 of the company, to be held on the ..... day of ....., 20.....,  
 and at any adjournment thereof.

This form is to be used-

in favour of  
 \*..... resolution no. ....;  
 against

in favour of  
 \*..... resolution no. ....;  
 against

in favour of  
 \*..... resolution no. ....;  
 against

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

Date ..... Signed .....

\* Strike out whichever is not desired.

A proxy need not be a member of the company.

63. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
64. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.

**Bodies Corporate and Unincorporated Associations acting by Representatives at Meetings**

65. Any body corporate or unincorporated association 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, and the person so authorised shall be entitled to exercise the same powers on behalf of the body corporate or unincorporated association which he represents as that body corporate or unincorporated association could exercise if it were an individual member of the company, and shall be deemed to be a member for the purpose of reckoning a quorum.

**Directors**

66. Unless and until determined by the company in general meeting, the directors shall be not less than three and not more than 10 (ten) in number.
67. The first directors shall be appointed in writing by the subscribers of the memorandum of association or a majority of them.
68. The remuneration of the directors shall from time to time be determined by the company in general meeting. Such remuneration shall be deemed to accrue from day to day. The directors may also be paid all travelling hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the company or in connection

with the business of the company.

69. The shareholding qualification for directors may be fixed by the company in general meeting, and unless and until so fixed no qualification shall be required.
70. The company may from time to time by ordinary resolution increase or reduce the number of directors.
71. The directors shall have power at any time, and from time to time, to appoint any person to be director, either to fill a casual vacancy or as an addition to the existing directors, but so that the total number of directors shall not at any time exceed the number fixed in accordance with these articles. Any director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election.
72. The company may by ordinary resolution, of which notice has been given in accordance with section 146 of the Act, 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 such director may have for damages for breach of any contract or service between him and the company.
73. The company may by ordinary resolution appoint another person in place of a director removed from office under the immediately preceding article, and without prejudice to the powers of the directors under article 71 the company in general meeting may appoint any person to be a director either to fill a vacancy or as an additional director. A person appointed in place of a director so removed or to fill such a vacancy shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

#### **Borrowing Powers**

74. Until the company in general meeting shall otherwise resolve the directors may in their absolute discretion from time to time raise or borrow any sum or sums of money for the purposes of the company without limitation either upon a mortgage, charge, debenture, debenture bond or obligation or in any other way whatsoever on the security of any of the property of the company including uncalled capital or otherwise as they may think fit and they may cause or permit any such mortgages, charges, debentures, debenture bonds, or obligations to be redeemed or transferred as they may think fit.

#### **Powers and Duties of Directors**

75. The business of the company shall be managed by the directors, who may pay all expenses incurred in promoting and registering the company, and may exercise all such powers of the company as are not, by the Act or by these articles, required to

be exercised by the company in general meeting, subject, nevertheless to the provisions of the Act and to these articles.

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

77. (1) A director who is in any way, whether directly or indirectly, materially interested in a contract or proposed contract with the company shall declare the nature and extent of his interest at a meeting of the directors or shareholders in accordance with section 150 of the Act.

(2) Subject to these articles, a director shall not vote in respect of any contract or arrangement in which he is interested, and if he shall do so his vote shall not be counted, nor shall he be counted in the quorum present at the meeting, but neither of these prohibitions shall apply to -

a) any arrangement for giving any director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the company; or

b) any arrangement for the giving by the company of any security to a third party in respect of a debt or obligation of the company for which the director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or

c) any contract by a director to subscribe for or underwrite shares or debentures of the company;

and these prohibitions may at any time be suspended or relaxed to any extent, and either generally or in respect of any particular contract, arrangement or transaction, by the company in general meeting.

(3) A director may hold any other office or place of profit under the company (other than the office of auditor) in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the directors may determine and no director or intending director shall be disqualified by his office from contracting with the company either with regard to his tenure or any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the company in which any director is in any way interested, be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the company for any profit realized by any such contract or arrangement by reason of such director holding that office or of the fiduciary relation thereby established.

- (4) A director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other director is appointed to hold any such office or place of profit under the company or whereat the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement or the terms thereof.
- (5) Any director may act by himself or his firm in a professional capacity for the company, and he or his firm shall be entitled to remuneration for professional services as if he were not a director; provided that nothing herein contained shall authorize a director or his firm to act as auditor to the company.
78. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the directors shall from time to time by resolution determine.
79. The directors shall cause minutes to be made in books provided for the purpose-
- a) of all appointments of officers made by the directors;
  - b) of the names of the directors present at each meeting of the directors and of any committee of the directors;
  - c) of all resolutions and proceedings at all meetings of the company, and of the directors, and of committees of directors.
80. The directors on behalf of the company may pay a gratuity or pension or allowance on retirement to any director who has held any other salaried office or place of profit with the company or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

#### **Vacation of Office and Disqualification of Directors**

81. The office of director shall be vacated if the director-
- a) ceases to be a director by virtue of section 144 of the Act; or
  - b) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - c) becomes prohibited or disqualified from being a director by reason of any order made by a competent court; or
  - d) becomes of unsound mind; or
  - e) resigns his office by notice in writing to the company; or
  - f) shall for more than six consecutive months have been absent without permission of the directors from meetings of the directors held during that period and the directors resolve that his office be vacated; or

- g) is directly or indirectly materially interested in any contract or proposed contract with the company and fails to declare the nature of his interest in manner required by the Act.
82. A director retiring at a meeting shall retain office until the dissolution of that meeting.
83. The company at the general meeting at which a director retires may fill the vacated office by appointing a person thereto and in default, the retiring director shall, if willing to act, be deemed to have been re-appointed unless at such meeting it is expressly resolved not to fill such vacated office or a resolution for the re-appointment of such director shall have been put to the meeting and lost.
84. At a general meeting a motion for the appointment of 2 (two) or more persons as directors of the company by a single resolution shall not be made unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.

#### **Proceedings of Directors**

85. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit. 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. Provided that if at any time the quorum is two (2) and only two Directors are present at a meeting the Chairman shall not have a casting vote. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors. Subject to the provisions hereinafter contained regarding alternate directors, it shall not be necessary to give notice of a meeting of directors to any director for the time being absent from Malawi.
86. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall be 2 (two). For the purpose of this article an alternate appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present.
87. The continuing directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to the articles of the company as the necessary quorum of directors, the continuing directors or director 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.
88. The directors may elect a chairman of their meetings and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within 5 (five) minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.

89. The directors may delegate any of their powers to committees consisting of such member or members 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.
90. A committee may elect a chairman of its meetings; if no such chairman is elected, or if at any meeting the chairman is not present within 5 (five) minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.
91. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the chairman shall have a second or casting vote.
92. All acts done by any meeting of the directors or of a committee of directors or by any person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.
93. A resolution in writing, signed or approved by letter by each director or his alternate, shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held and when signed may consist of several documents each signed by one or more of the persons aforesaid.

#### **Alternate directors**

94. Each director shall have the power to appoint any person as an alternate director. Such appointment shall be in writing signed by the appointor and lodged with the company.
95. Every alternate director so appointed shall during the currency of such appointment be deemed for all purposes to be a director and officer of the company and not the agent of his appointor, and shall be entitled to receive all notices of meetings and to attend, speak and vote at all meetings accordingly; but he shall not himself be entitled to appoint an alternate director.
96. The company shall not be liable to pay additional remuneration by reason of the appointment of an alternate director.
97. An alternate director who is himself a director shall have an additional vote for each director for whom he acts as alternate at every meeting of the directors.
98. The appointment of an alternate director shall cease at the expiration of the period, if any, for which he was appointed, or if his appointor gives written notice to that effect to the company, or if his appointor ceases for any reason to be a director or if the alternate resigns by notice in writing to the company.
99. Until the cessation of the appointment of an alternate director both the appointor and appointee shall be and may act as directors of the company, but no alternate, unless a director in his own right, shall attend or vote at any meeting of the directors or any committee of directors at which his appointor is present.

#### **Managing Directors**

100. The directors may from time to time appoint one or more of their body to the office of managing director for such period and on such terms as they think fit and subject to the terms of any agreement entered into in any particular case, may revoke such appointment. His appointment shall be automatically determined if he ceases from any cause to be a director.
101. A managing director shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the directors may determine.
102. The directors may entrust to and confer upon a managing director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.

#### **Secretary**

103. The secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.
104. A provision of the Act or these articles requiring or authorizing a thing to be done by or to a director and the secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in the place of, the secretary.

#### **The Seal**

105. The directors shall provide for the safe custody of the seal, which shall only be used by the authority of the directors or of a committee of the directors authorized by the directors in that behalf, and every instrument to which the seal shall be affixed shall be signed by a director and shall be countersigned by the secretary or by a second director or by some other person appointed by the directors for the purpose.

#### **Dividends and Reserve**

106. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the directors.
107. The directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the company.
108. No dividend shall be paid otherwise than out of profits.
109. The directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for any purpose to which the profits of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the directors may from time to time think fit. The directors may also without placing the same to reserve carry forward any profits which they may think prudent not to distribute.
110. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or

credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

111. The directors may deduct from any dividend payable to any member all sums of money (if any) presently payable by him to the company on account of all calls or otherwise in relation to the shares of the company.
112. Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular or paid up shares, debentures or debenture stock of any other company or in any one or more of such ways, and the directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the directors.
113. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses or other moneys payable in respect of the shares held by them as joint holders.
114. No dividend shall bear interest against the company.

### **Accounts**

115. The directors shall cause proper accounting records to be kept with respect to-
  - a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes places;
  - b) all sales (except ordinary retail sales) and purchases of goods by the company; and
  - c) all assets and liabilities of the company.

Proper accounting records shall not be deemed to be kept if there are not kept 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 operations and transactions.

116. The accounting records shall be kept at the registered office of the company, or, subject to section 180 of the Act, at such other place or places as the directors think fit, and shall always be open to the inspection of any director.

117. The directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by statute or authorized by the directors or by the company in general meeting.
118. The directors shall from time to time, in accordance with the Act, cause to be prepared and to be laid before the company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are required by law.
119. The directors shall at some date not later than eighteen months after the incorporation of the company and subsequently once at least in every calendar year at intervals of not more than fifteen months cause to be prepared and sent to every member of the company and to every holder of debentures of the company a copy of each of the following documents-
- a) a profit and loss account and balance sheet;
  - b) a report by the directors thereon; and
  - c) any report by the auditors.

Provided that this article shall not require a copy of such documents to be sent to a member or debenture holder of whose address the company is unaware, but such person shall be entitled to be furnished on demand without charge with a copy of the last of such profit and loss accounts and balance sheets and directors' and auditors' reports.

120. Unless the holding of an annual general meeting is waived by the members in accordance with section 104 of the Act, the documents referred to in article 118 shall be laid before the company in general meeting.

#### **Capitalization of Profits**

121. The company in general meeting may upon the recommendation of the directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members or any class of members pro rata to their respective shareholdings on condition that the same be not paid in cash but be applied in paying up in full unissued shares or debentures of the company to be allotted, distributed and credited as fully paid up to and amongst such members in the proportion aforesaid, and the directors shall give effect to such resolution.

122. Whenever such a resolution as aforesaid shall have been passed the directors shall make all appropriations and applications of the sums resolved to be capitalized 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 such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorize 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 capitalization, and any agreement made under such authority shall be effective and binding on all such members.

### **Audit**

123. Auditors shall be appointed and their duties regulated in accordance with the Act.

### **Notices**

124. A notice may be given by the company to any member either personally or by sending it by post to him or to his address on the register of members, or (if he has no such address) to the address, if any, supplied by him to the company for the giving of notice to him or by leaving it for him with some person apparently over the age of eighteen years at such address. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting (by registered post in the case of a member whose registered address is outside Malawi) a letter containing the notice, and to have been effected at the expiration of seven days or, if it is sent to an address outside Malawi, fourteen days after the letter containing the same is posted.
125. A notice may be given by the company to the joint holders of a share by giving the notice to the joint holder first named in the register of members in respect of the share.
126. A notice may be given by the company to the persons entitled to a share in consequence of the death, receivership or bankruptcy of a member either personally or by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, receiver, or trustee of the bankrupt, or by any like description, at the address, if any, within Malawi supplied for the purpose by the persons claiming to be so entitled, or by leaving it for them with some person apparently over the age of eighteen years at such address, 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, receivership or bankruptcy had not occurred.
127. Notice of every general meeting shall be given in any manner hereinbefore authorized to-
- a) every member except those members who have not supplied to the company an address for the giving of notices to them;

- b) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative, a receiver or a trustee in bankruptcy of a member where the member but for his death, receivership or bankruptcy would be entitled to receive notice of the meeting;
- c) every director of the company; and
- d) the auditor for the time being of the company.

No other person shall be entitled to receive notices of general meetings.

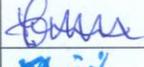
### **Winding up**

128. If the company shall be wound up the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members 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 the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, shall think fit.

### **Indemnity**

129. 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 342 of the Act in which relief is granted to him by the court.

## PARTICULARS OF FIRST SUBSCRIBERS OF THE COMPANY

FULL NAMES	FORMER OR OTHER NAMES	RESIDENTIAL ADDRESS	POSTAL ADDRESS	OCCUPATION	SIGNATURE
January Watchman Mvula		World Vision Malawi, Private Bag 3, Chitipa	World Vision Malawi, Private Bag 3, Chitipa	Data Processing Officer	
Manale Jimu		College of Medicine, P. O. Box 30887, Lilongwe 3.	College of Medicine, P. O. Box 30887, Lilongwe 3.	Procurement Specialist	
Frank Charles Kasonga		CAVWOC, P. O. Box 2793, Blantyre	CAVWOC, P. O. Box 2793, Blantyre	Paralegal	
Daniel William Phiri		C/O P.O. Box 33, Nsanje.	C/O P.O. Box 33, Nsanje.	Retired Teacher	
Grace Robert Nyangulu		C/O Private Bag 50, Blantyre	C/O Private Bag 50, Blantyre	Technician	
Hendrix Masamba		Chagambatuka Village P.O. Box 23, Chikwawa	P.O. Box 23, Chikwawa	Farmer	
Ireen Mbisa		Tondola Trading Centre C/O P/Bag 3 Chitipa	C/O P/Bag 3 Chitipa	Teacher	

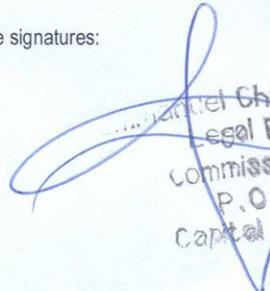
Dated the 12<sup>th</sup> day of May 2010

Witness to the above signatures:

Witness:

Address:

Occupation:

  
 Emmanuel Chapo, LLB (Hons) M  
 Legal Practitioner  
 Commissioner for Oaths  
 P.O. Box 31568  
 Capital City, Lilongwe 3

  
 Registrar of Companies  
 17 MAY 2010  
 P.O. Box 100  
 Blantyre