

COMPANIES LAW (CAP.113)

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A COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

## S.D. STANDARD DRILLING PLC

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1. The regulations contained in Part I of Table A of the First Schedule of the Companies Law (Cap. 113), shall not apply to the Company unless these are repeated and embodied to these Regulations and if there is any conflict or contradiction between the present regulations and the regulations contained in Table A, the provisions of the present Regulations shall prevail.

### INTERPRETATION

2. In these regulations, unless from the text a different interpretation ensues, the terms used in the Companies Law, Cap. 113, or any amendment thereof, shall have the meaning attached to them by the this Law with the exception of the words which are listed in the first column of the following table which shall have the interpretation attached to them respectively in the second column:-

#### Table

<u>Words</u>	<u>Interpretation</u>
The Law	The Companies Law, Cap. 113 and includes any Law amending or substituting it.
The Regulations	These Regulations and any changes or amendments which are brought by a relevant resolution.
The Company	S.D. STANDARD DRILLING PLC
The Office	The registered office of the Company from time to time.
The Board	The Board of Directors of the Company
The Member	Member of the Company
The seal	The usual seal of the Company
Register	The Register of Members of the Company
Secretary	Any person who is appointed to perform the duties of the Secretary of the Company and includes provisional or assistant Secretary.

Cyprus	The Cyprus Republic
Voting	Voting which is carried out by raise of hands and every member present either personally or through proxy and votes shall have one vote.
Official Voting	Voting which is carried by ballot and every member present either personally or through proxy and votes shall have one vote for each share held.
Nomination Committee	The nomination committee of the Company as set up by regulations 141 and 142 of the present regulation

Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, typing, photography, photocopying and other modes of representing or reproducing words in a visible form.

Unless the context otherwise requires:-

Words denoting the masculine gender shall include and the feminine gender.

Words denoting the singular shall include the plural any vice versa.

Words which refer to persons shall include companies, entities or bodies with or without legal entity.

Reference to these Regulations to any provision of Law, where it conforms to the text, shall be interpreted as a reference to a provision of the Companies Law, Cap. 113, as this law shall be amended from time to time.

### **GENERAL STIPULATIONS**

3. The company is a public limited liability company
4. The Company may sign, adopt or put into effect or re-execute and undertake or continue (with such amendments as the contracting parties may agree and the Directors approve) any pre - registration of the Company agreement or any other agreement or operation or work which was done or is being done (as the case may be) prior to the incorporation of the Company, as the Directors may decide.

### **SHARE CAPITAL AND VARIATION OF RIGHTS**

5. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the company may from time to time by ordinary resolution determine.

6. Subject to the provisions of Section 57 of the Law, 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 on such terms and in such manner as the company before the issue of the shares may by special resolution determine.
7. All the additional shares approved for issue as well as all securities which may be converted into shares shall be offered to the members in proportion to the holding of each member in the capital of the Company and such offer shall be made by written notification by which the number of shares which each member is entitled to take shall be specified and shall limit the time within which the offer, if not accepted, shall be considered as rejected and at the expiration of such time or on the receipt of notice from a member, to whom such notification was given, that he is refusing to accept the shares offered, the Board may allocate or in any other way dispose the said shares to such persons and under such terms as it will consider more beneficial to the Company. If due to inequality between the number of shares or other securities which may be issued and which give the right to purchase shares or which are convertible into shares of the Company and the number of shares which the shareholders entitled to the said offer of new shares and/or other securities, hold, such difficulty shall be resolved by a decision of the Board unless there are different instructions by the Company in general meeting. The pre-emption rights granted by the present regulation may be waived by an ordinary resolution of the Company
8. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 70 of the Law and whether or not the company is being wound up, be varied or repeal with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of an extraordinary 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 Regulations relating to general meetings shall apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the said class present in person or by proxy may demand a poll and if in any general meeting by adjournment of such shares there is no quorum the shareholder or shareholders present shall be deemed to be in quorum.
9. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
10. The company may exercise the powers of paying commissions conferred by Section 52 of the Law and pay commission on a proportion basis which shall be determined by the Board on the nominal value of the shares for which the commission shall be paid, not 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 said section and the rate of the commission shall not exceed the rate of 10 per cent of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10 per cent of such price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly 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.

11. Every person whose name is entered as a member in the registered of members shall be entitled to receive free of any charge within two months from the date of the allotment or the entry of the transfer of the shares (or within such other time limit as the terms of issue may specify) a certificate for all his shares or a number of certificates each of which shall refer one or more shares, upon payment of such amount as the Board shall determine in every case for each certificate, except the first one. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon and may contain such further information as the Board may specify. Provided that 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.
12. If a share certificate be defaced, lost or destroyed, it may be renewed on payment of a fee (if any) and on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the company of investigating evidence as the directors think fit.
13. Except as required by Law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these regulations 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.
14. Notwithstanding regulation 13 above, but always subject to s.112 of the Law, the Company may, if it so wishes and if notified accordingly in writing, recognise the existence of the trust on any share even though it cannot register it in the Company's register of members. This recognition is made known with a letter to the trustees and is irrevocable provided this trust continues to exist, even if the trustees or some of them are replaced.

Every member who holds shares on behalf of a third party, either as trustee or in any other capacity, should upon request disclose to the Company, immediately, the name of the person for whom he holds such shares.

15. The register of members and the index of members shall be open to inspection, from the members free of charge and from any other person after payment of such amount for the inspection as the

Board may from time to time specify. Any member or such person may take any extracts there from.

16. The Company shall have the power, subject to s.114 of the Law, to maintain an overseas register of members. Such overseas register of members shall be maintained in accordance with s.114 to 117 of the Law.
17. Provided the shares of the Company or any other titles or securities of the Company are traded in a foreign market, the Company shall be deemed to comply with the provisions of the Law with respect to keeping a register of members if it complies with the relevant regulations of the relevant market. Any reference in these Regulations or the Law to a register of members shall be interpreted as a reference to the records maintained in accordance with the regulations of the relevant market.
18. The Company shall not give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the company or in its holding company nor shall the company make a loan for any purpose whatsoever on the security of its shares or those of its holding company, but nothing in this regulation shall prohibit transactions mentioned in the proviso to Section 53(1) of the Law.

#### **LIEN**

19. The company shall have a first and paramount lien on every share -(not-being a-fully paid 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 (other -than-fully paid 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 and as well as any other rights or benefits which are attached therein.
20. The company may sell, in such manner as the Board 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 fourteen days after a notice in writing to the then registered owner of such shares, 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.
21. 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 affected by any irregularity or invalidity in the proceedings in reference to the sale.

22. 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**

23. The Board 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 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.
24. 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.
25. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
26. 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 5 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.
27. 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 by 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.
28. The directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.

29. The Board 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) 7 per cent per annum, as may be agreed upon between the directors and the member paying such sum in advance unless the Company in general meeting decides differently.

### **TRANSFER OF SHARES**

30. The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee, 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.
31. Subject to such, of the restrictions of these regulations as may be applicable, any member may transfer all or any of his shares by instrument in writing in any usual or common form or any other form which the directors may approve.
32. The Board may decline to recognise any instrument of transfer unless:-
- (a) a fee of US\$1, or such lesser sum as the Board may from time to time require is paid to the company in respect thereof;
  - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer; and
  - (c) the instrument of transfer is in respect of only one class of share.
33. If the Board decide to refuse to register a transfer they shall do so within one week and shall send to the transferee notice of the refusal.
34. Regulations 30 to 33 shall not apply in the event that the shares of the company are traded on a market and in such event, the rules of the relevant market as to transfer of shares shall apply.
35. The registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year.

### **TRANSMISSION OF SHARES DUE TO DEATH OR BANKRUPTCY**

36. 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, shall be the only persons recognised by the company as having any title to his interest in the shares; but noth-

ing 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.

37. 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 holder of the share or to have some person nominated by him registered as the transferee thereof, but the directors shall<sup>1</sup>, 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.
38. If the person so becoming entitled shall elect 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 shall elect 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 regulations 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.
39. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.

Provided always that the directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days the directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

### **CONVERSION OF SHARES INTO STOCK**

40. The company may by ordinary resolution convert any paid-up shares into stock, and reconvert any stock into paid-up shares of any denomination.
41. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as "and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the directors may from time to time fix the minimum amount of stock transferable but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

42. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
43. Such of the Regulations of the Company as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder" respectively.

#### **ALTERATION OF CAPITAL**

44. The company may from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
45. The company may by ordinary resolution:-
  - (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) Subdivide its existing shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association subject, nevertheless, to the provisions of section 60 (1) (d) of the Law;
  - (c) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
46. 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 authorised, and consent required, by law.

#### **GENERAL MEETINGS**

47. 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. The period of time between one annual general meeting of the Company and the next annual general meeting shall not be more than fifteen months.

Provided that so long as the company holds its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place as the directors shall appoint.

48. All general meetings other than annual general meetings shall be called extraordinary general meetings.
49. The Board may, whenever it thinks fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by Section 126 of the Law. If at any time there are not within Cyprus 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 Board.

### **NOTICE OF GENERAL MEETINGS**

50. All general meetings **of the company held** either for the passing of a special resolution, an extraordinary resolution or an ordinary resolution shall be called by giving a twenty-one days' notice in writing at the least,. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and time of the meeting and, in case of any 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 who are, under the regulations of the company, entitled to receive such notices from the company:

All notices that have to be given by the Company pursuant to these Articles may be given by electronic means and such notice shall be deemed as properly given in writing.

In the event the shares of the company are traded on a market, any notice to be given pursuant to the present Articles shall be deemed to be properly given if given in accordance with the rules of the said market.

51. 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**

52. 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 **financial statements** , balance sheets, and the reports of the directors and auditors, the election of directors in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.
53. 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, two members present in person shall be a quorum.

- 54.** 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 present shall be a quorum.
- 55.** 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 directors present shall elect one of their number to be chairman of the meeting.
- 56.** If at any meeting no director is willing to act as chairman 'or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be chairman of the meeting.
- 57.** 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 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.
- 58.** 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 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-tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - (d)** by a member or members holding shares in the company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

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.

59. Except as provided in regulation 61, 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.
60. 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.
61. If a poll is 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.
62. Subject to the provisions of the Law, written decision signed or approved by letter, telegram, radio telegram, telex, facsimile or other similar manner of communication, from the members who have the right at any particular time to receive notice for convening general meetings, to be present and vote at such meetings (or in the case of legal entities the signature of their authorised representatives) is valid and has the same legal repercussions as if the said decision was approved at a general meeting of the Company which was convened and took place properly. The said decision may be composed by various documents, each of which bears the signature of one or more members of the Company, the signature of a member of the Board or other authorised officer or appointed proxy. The Company can make provisions so that members may attend General Meeting by electronic means and to offer the technical ability to its members to vote through electronic means, accessible by all members holding voting shares in general meetings. Such provisions should enable the members to hear and be heard simultaneously through such electronic means

## **VOTES OF MEMBERS**

63. 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.
64. 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.
65. A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by the administrator of his property, his committee, receiver, curator bonis, or other person in the nature of an administrator, committee, receiver or curator bonis appointed by that Court, and any such administrator, committee, receiver, curator bonis or other person may, on a poll, vote by proxy.

- 66. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
- 67. 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.
- 68. On a poll votes may be given either personally or by proxy.
- 69. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation, either under seal, or under the hand of an officer or attorney duly authorised. A proxy need not be a member of the Company.
- 70. 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 Cyprus as is specified for that purpose in the notice convening 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, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll. If there is any default of the aforesaid provisions the instrument of proxy shall not be treated as valid. If a member is present at a general meeting for which he has appointed a proxy, the proxy cannot be present at the said meeting and the proxy document shall be considered as revoked.
- 71. An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit or in any form approved by the directors —

**S.D. STANDARD DRILLING PLC**

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 for me/us on my/our behalf at the annual/extraordinary, [strike out whichever does not apply] general meeting of the Company, to be held on the day of ....., 20... and at any adjournment thereof.

Signed this day of ..... day of ....., 20...."

- 72. Where it is desired to afford members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit or in any form approved by the directors —

S.D. STANDARD DRILLING PLC.

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 for me/us .on my/our behalf at the annual/  
extraordinary, [strike out whichever does not apply] general meeting of the Company, to be held on  
..... the day of ..... 20... and at any adjourned meeting.

Signed this day of ..... day of ....., 20.... "

The form above shall be used for\*/against\* the passing of the resolution. Unless a different power is conferred, the proxy shall cast his vote as he considers right.

(\*Strike out whichever is not desired).”

Irrespective of the above provisions, the chairman of the meeting will have the authority to accept a proxy in any format he shall deem as appropriate even if such proxy shall not comply with the above formats.

- 73. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- 74. 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.

**CORPORATIONS ACTING BY REPRESENTATIVES AT GENERAL MEETINGS**

- 75. Any 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 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 corporation which he represents as that corporation could exercise if it were an individual member of the Company.

**DIRECTORS**

- 76. The number of the Directors, until differently decided by the Company in General Meeting shall not be less than two not more than ten. The names of the first Directors shall be determined in

writing by the subscribers of the memorandum of association or a majority of them. Until the appointment of the first Directors the subscribers of the memorandum of association shall exercise all the powers of the Directors.

77. 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.
78. There is no shareholding qualification for appointment or election to the Board of Directors of the Company.
79. A director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the company or in which the company may be interested as shareholder or otherwise, and no such director shall be accountable to the company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the company otherwise direct.

#### **BORROWING POWERS**

80. The directors may exercise all the powers of the company to borrow money, and to charge, either by floating or fixed charge, or mortgage all or any part of its undertaking, movable and immovable property present or future including all or any part of the uncalled capital, and to issue debentures, debenture stock, mortgaged debentures and other bills or securities whether these are continual redeemable or repayable and either directly or as security for any debt, liability or obligation of the company or of any third party.
81. The debentures with floating charge referred to Regulation 80 above and the debentures and debenture stock mortgaged debentures bills or other bonds may be issued at a discount or at a premium or in any other manner and with such powers regarding their redemption, surrender issue of shares or other as the Board may decide.
82. The Directors shall be responsible for keeping proper register of charges according to the provisions of Section 99 of the Law and shall conform to the requirements of Sections 90, 91 and 99 of the Law in respect of the registration of charges as provided by the said Sections.

#### **POWERS AND DUTIES OF DIRECTORS**

83. 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 com-

pany as are not, by the Law or by these regulations, required to be exercised by the company in general meeting, subject, nevertheless, to any of these regulations, to the provisions of the Law and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

- 84.** The Board may from time to time and at any time by power of attorney appoint any Company, firm or person or body of persons, whether nominated directly or indirectly by the directors, to be the attorney or attorneys of the company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these regulations) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any 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.
- 85.** The Company may exercise the powers conferred by Section 36 of the Law with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.
- 86.** (1) A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the company shall declare the nature of his interest at a meeting of the Directors in accordance with Section 191 of the Law.
- (2) 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) to 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; or
  - (d) any contract or arrangement with any other company in which he is interested only as an officer of the company or as holder of shares or other securities,

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 of 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 realised by any sub 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 of 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 authorise a director or his firm to act as auditor to the company.

**87.** 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.

**88.** 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;

and every director present at any meeting of directors or committee of directors shall sign his name in a book to be kept for that purpose.

89. 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.

**ALTERNATE DIRECTORS**

90. Each of the Directors may at any time appoint any person who may either be a Director or not to act as his Alternate Director and further he has the discretion to dismiss him at any time.

91. The alternate of any Director shall from all aspects (with the exception of the power of appointing alternate director and the remuneration) be subject to the conditions governing the rest of the members of the Board and has all the powers and duties as those the appointing Director. Without limitation to the generality referred to above the alternate of a Director shall be entitled to receive all notices regarding the meetings of the Board and to be present and speak and to vote at any such meeting at which the appointing Director And is not present.

92. A person may be alternate to more than one Director and for whichever period he is acting as alternate for more than one Directors, he shall be entitled to a separate vote for each Director he is representing and in the event that he is also at the same time a Director he shall be entitled to so many votes apart from his vote as the number of Directors he is substituting.

93. The appointment or dismissal of any person substituting for a Director may be effected by telegram or radio telegram or telex or facsimile or email to the Company, or in any other approved by the Board manner and must be confirmed at the earliest opportunity by letter but shall have immediate effect even though the said letter may not have yet been received by the Company and the document by which the appointment is made shall be in the nearest possible form as shown below.

**S.D. STANDARD DRILLING PLC**

I .....  
Director of S.D STANDARD DRILLING PLC by virtue of the powers vested in me under Regulation 90 of the Articles of Association of the Company do hereby appoint .....  
..... from ..... as Alternate Director so that on my behalf and on my account sit at any meeting of the Board of Directors of the Company at which I am unable to be personally present and to exercise all my powers and perform all my duties as Director of the Company.

Dated the ..... day of ..... 20....

(Sign) .....  
**DIRECTOR**

94. As soon as a Director loses his directorship in any manner, with the exception of vacating his position at a general meeting in which he is re-elected, the person appointed by such Director as provided hereinabove shall have no further power or authority to act as alternate of the Director who appointed him.
95. The Directors do not have any responsibility for the acts or omissions of the alternate appointed by them.
96. The alternate of a Director shall not be counted at the computation of the minimum or maximum number of the members of the Board that are allowed from time to time, but he is counted in the case of ascertaining whether there is a quorum at a particular meeting of the Board at which he is present and has the power to vote.

### **DISQUALIFICATION OF DIRECTORS**

97. The office of director shall be vacated when the director —
  - (a) ceases to be a director by virtue of Section 176 of the Law; or
  - (b) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - (c) becomes prohibited from being a director by reason of any order made under Section 180 of the Law; 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 months have been absent without permission of the directors from meetings of the directors held during that period.

### **ROTATION OF DIRECTORS**

98. At the first annual general meeting of the company all the directors shall retire from office, and at the annual general meeting in every subsequent year one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office.
99. The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
100. A retiring director shall be eligible for re-election.
101. The company at the meeting at which a director retires in manner aforesaid may fill the vacated office by electing a person thereto, and in default the retiring director shall if offering himself for

re-election be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such director shall have been put to the meeting and lost.

- 102.** No person other than a director retiring at the meeting shall unless recommended by the directors or the Nomination Committee be eligible for election to the office of director at any general meeting unless not less than three nor more than twenty-one days before the date appointed for the meeting there' shall have been left at the registered office of the company notice in writing, signed by a member duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected.
- 103.** The company may from time to time by ordinary resolution increase or reduce the number of Directors, and may also determine in what rotation the increased or reduced number is to go out of office.
- 104.** The directors shall have power at any time, and from time to time, to appoint any person to be a 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 regulations. Any director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election, but shall not be taken into account in determining the directors who are to retire by rotation at such meeting.
- 105.** The company may by ordinary resolution, of which special notice has been given in accordance with Section 136 of the Law, remove any director before the expiration of his period of office notwithstanding anything in these regulations 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 of service between him and the company.
- 106.** The company may by ordinary resolution appoint another person in place of a director removed from office under the immediately preceding regulation, and without prejudice to the powers of the directors under regulation 104 the company in general meeting may appoint any person to be a director either to fill a casual 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 if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

## **PROCEEDINGS OF DIRECTORS**

- 107.** 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. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors. It shall be necessary to give 48 hours' notice of a meeting of Directors. The notice of a meeting of directors may be served on the directors by any available means including email, fax, telex or letter. All meetings of the Board of Directors and committee meetings of the Directors shall take place in Cyprus or in any other place, provided that the integrity of the Cyprus tax residency of the Company is maintained and not prejudiced. Any Director or a member of a committee of the Directors may participate in a meeting of the Directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting
- 108.** The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed differently shall be the majority of the Directors.
- 109.** 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 regulations 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.
- 110.** 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 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.
- 111.** 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.
- 112.** 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 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.
- 113.** The committees may meet and adjourn as the members of each committee think 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.
- 114.** 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.

- 115.** A resolution in writing, signed or approved by letter, telegram, radio telegram, telex, facsimile, email or other similar manner of communication, from all the Directors or their Alternate (or in the case of a committee of the Board which was formed according to the above Regulations, from all the members of the committee) shall be equally valid and binding as if the said decision was approved at a meeting of the Directors (or of the committee as the case may be) which was convened and took place properly. The said decision may be composed by various documents, each of which bears the signature of one or more members of the persons referred to above.

### **MANAGING DIRECTOR**

- 116.** 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. A director so appointed shall not, whilst holding that office, be subject to retirement by rotation or be taken into account in determining the rotation of retirement of directors, but his appointment shall be automatically determined if he ceases from any cause to be a director.
- 117.** 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 from time to time determine. The remuneration of the Director who is appointed in the office of the Managing Director may be independent and in addition to the remuneration fixed in conformity of the provisions of Regulation 81 of the present Regulations.
- 118.** 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**

- 119.** The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as the Board may think fit and any Secretary so appointed may be removed by the Board.
- 120.** No person shall be appointed or hold office as Secretary who is —
- (a) the sole director of the company; or
  - (b) a corporation the sole director of which is the sole director of the company; or
  - (c) the sole director of a corporation which is the sole director of the company.

- 121.** A provision of the Law or these regulations requiring or authorising 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 place of, the secretary.

### **THE SEAL**

- 122.** 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 authorised 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**

- 123.** The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the directors.
- 124.** The Board 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.
- 125.** No dividend shall be paid otherwise than out of profits.
- 126.** The Board 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 divide.
- 127.** 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.
- 128.** The Board 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 calls or otherwise in relation to the shares of the company.

- 129.** 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 of 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 Board.
- 130.** The dividends, interest or other moneys payable in cash in respect of shares may be paid by transfer into a designated bank account of a shareholder, 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.
- (a) In the event that the shares of the Company are listed on a market payment of dividends may be paid in accordance with the rules of the relevant market.
- 131.** No dividend shall bear interest against the company.

## ACCOUNTS

- 132.** The Board shall cause proper books of account 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 place;
- (b) all sales and purchases of goods by the company; and
- (c) the assets and liabilities of the company.

Proper books shall not be deemed to be kept by the Company 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 transactions.

- 133.** The books of account shall be kept at the registered office of the company, or, subject to Section 141(3) of the Law, at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.

- 134.** The Board shall from time to time determine whether and to what extent and at what times 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 authorised by the directors or by the company in general meeting.
- 135.** The Board shall from time to time, in accordance with Sections 142, 143 and 151 of the Law, 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 referred to in those sections.
- 136.** Without prejudice the provisions of any applicable law or regulation, copies of the documents referred to in Article 152(1) of the Law. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the company in general meeting, together with a copy of the auditors' report, shall not less than twenty one days before the date of the annual general meeting of the Company be made available sent to every member of, and every holder of debentures of, the Company and to every person registered under regulation 375 in accordance with the provisions of paragraphs (4) to (6) of Article 127A of the Law. Provided that this regulation shall not require, in any circumstances, a copy of those documents to be sent to any person of whose address the company is not aware or to more than one of the joint holders of any shares or debentures.

### **CAPITALISATION OF PROFITS**

- 137.** 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 who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the directors shall give effect to such resolution. Provided that a share premium account and a capital redemption reserve fund may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares.
- 138.** Whenever such a resolution as aforesaid shall have been passed the directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the directors to make 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 authorise any person to enter on behalf of all the members entitled thereto into an agreement with the company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

### **AUDIT**

- 139.** Auditors shall be appointed and their duties regulated in accordance with Sections 152A to 156 (both inclusive) of the Law.

### **PURCHASE OF OWN SHARES**

- 140.** Subject to the provisions of sections 57A to 57F of the Law, both inclusive, the Company may purchase its own shares.

### **NOMINATION COMMITTEE**

- 141.** The Company shall have a nomination committee. The committee shall present to the general meeting a proposal for candidates to be elected as directors. The committee shall also propose to the general meeting the directors' remuneration
- 142.** The nomination committee shall consist of at least two members and there shall be no maximum. The members of the nomination committee shall be elected by the general meeting. The majority of the committee shall be independent of the administrative organ and the management of the Company. The general meeting shall set the committee members' remuneration. The costs of the nomination committee shall be covered by the company.

### **NOTICES**

- 143.** A notice may be given by the company to any member either personally or by sending it by post to him or to his registered address, or (if he has no registered address within Cyprus) to the address, if any, within Cyprus supplied by him to the company for the giving of notice to him or as stipulated in regulation 50. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of 24 hours after the letter

containing the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of post.

- 144.** 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.
- 145.** A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, within Cyprus supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
- 146.** Notice of every general meeting shall be given in any manner hereinbefore authorised to —
- (a) every member except those members who (having no registered address within Cyprus) have not supplied to the company an address within Cyprus 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 or a trustee in bankruptcy of a member where the member but for his death or bankruptcy would be entitled to receive notice of the meeting; and
  - (c) the auditor for the time being of the company.

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

- 147.** Any documents referred to in any notice for a general meeting shall be deemed as made available to the members by posting them on the web site of the Company or on any other web site provided a note to the effect is made on the said notice

## **WINDING UP**

- 148.** If the company shall be wound up the liquidator may, with the sanction of an extraordinary resolution of the company and any other sanction required by the Law, 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 contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

## **INDEMNITY**

- 149.** Every Director, Managing Director, agent, auditor, Secretary or other person who for the time being holds an office in 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 383 of the Law in which relief is granted to him by the Court.
- 150.** Every Director, Managing Director, agent, auditor, Secretary or other person who for the time being holds an office in the Company, and every employee of the Company shall be indemnified by the Company, and the Board shall have the duty to pay from the Company' moneys, all the costs, expenditure and losses that such person has sustained or a liability was imposed upon him to pay by virtue of a contract entered into by him in his said capacity or in relation to any transaction or act carried out in the execution of his powers and/or duties in his said capacity.