

THE COMPANIES ACT 1948

**A COMPANY LIMITED BY GUARANTEE,
AND NOT HAVING A SHARE CAPITAL**

**ARTICLES OF ASSOCIATION OF
THE FALKLAND ISLANDS WOOL COMPANY LIMITED**

As amended by Special Resolution dated 28 July 2020

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**ARTICLES OF ASSOCIATION OF
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INTERPRETATION

1.1 In these articles:-

“Act” means the Companies Act 1948 including any statutory modification or re-enactment thereof for the time being in force in the Falkland Islands

“Articles” means these Articles of Association

“Auditor” means any person appointed from time to time to perform the duties of the auditor to the Company

“Board” means the Board of Directors of the Company appointed from time to time in accordance with the Articles

“Chairman” means the Chairman of the Company appointed from time to time in accordance with the Articles

“chairperson” means any individual responsible for chairing a particular general meeting or Board meeting of the Company in accordance with the Articles

“Committee” means any committee, sub-committee, panel, working party or other similar body of the Company as the case may be

“Company” means The Falkland Islands Wool Company Limited

“day” means any day of the week and is not restricted to a business day

“Director” means any member of the Board appointed from time to time in accordance with the Articles, and the expression shall be deemed to include an Elected Director

“Elected Director” means any individual who is elected by the Members to the Board or who is appointed to fill a casual vacancy on the Board in either case in accordance with the Articles

“Farming Business” means any individual (over the age of 18), firm, company, corporation or other organisation engaged on their own account in wool production in the Falkland Islands

“firm” means an unincorporated business partnership of two or more persons

“FLH” means Falklands Landholdings Corporation, a statutory corporation incorporated in the Falkland Islands by virtue of the Falklands Landholdings Corporation Ordinance

“FLH Director” means any individual who is appointed by FLH to the Board in accordance with the Articles

“Managing Director” means any person appointed from time to time in accordance with the Articles to perform the duties of Managing Director of the Company

“Member” means a person admitted to membership of the Company in accordance with the Articles

“Memorandum” means the Memorandum of Association of the Company

“Minutes” means the records of the general meetings of the Company and of Board meetings

“month” where the context so admits means a calendar month

“Office” means the registered office of the Company

“proxy” means an instrument entitling another person to vote at a general meeting of the Company on behalf of a Member

“Register” means the Register of Members

“Secretary” means any person appointed from time to time in accordance with the Articles to perform the duties of the secretary of the Company

“Subscriber” means an individual who has subscribed to the Memorandum and the Articles

“their”, “them” or “they” may refer to an individual, firm, company, corporation or other organisation as the context provides.

“Value-Adding Procedures” means any procedure, process or activity designed to enhance, alter or improve greasy wool including scouring, cleaning, carbonising, carding, gilling, combing, dyeing, bleaching or spinning.

“in writing” means writing, printing, facsimile or any other means of showing and reproducing words in a visible form including the electronic transmission by computer of an email

“year” where the context so admits means a calendar year from 1st January to 31st December

- 1.2 Words in the singular form include the plural and vice-versa.
- 1.3 Words in the masculine form include the feminine form and vice-versa.
- 1.4 Headings are not part of the Memorandum or Articles.
- 1.5 Unless the context otherwise requires, and apart from words defined above, words or expressions contained in the Articles shall bear the same meaning as in the Act.

MEMBERSHIP

Number of Members

- 2.1 The number of Members is unlimited.
- 2.2 The Subscribers are the first Members.

Register of Members

- 3.1 The Company must keep at the Office a Register showing the name and contact details (including email address, where known) of each Member, together with the dates upon which they became a Member and upon which they ceased to be a Member.
- 3.2 The Register is available for inspection by any Member, any Director, the Secretary and Auditor.
- 3.3 It is the responsibility of every Member and Director to notify the Secretary of any change in their contact details.

Qualification for Membership

- 4.1 Membership of the Company shall be open to any Farming Business, provided it has a minimum production of 2 metric tonnes of greasy wool per annum.
- 4.2 The Board shall have power to waive the qualification for membership whenever they consider it appropriate to do so for any individual, firm, company, corporation or other organisation.
- 4.3 The owner of a farm in the Falkland Islands (whether they are an individual, firm, company or corporation) shall not be eligible for membership of the Company by virtue only of such ownership unless they are also a Farming Business.
- 4.4 A Farming Business shall not be disqualified from membership of the Company by virtue only of the fact that the Farming Business is not the owner or tenant of some or all of the land upon which it raises sheep.

- 4.5 Where a Farming Business is operated by a firm, it shall be the firm and not the partners of the firm which for the purpose of the Articles is deemed to be the Member. The partners of the Member firm must notify the Company of any change of partners or firm name.
- 4.6 Where a Farming Business is operated by a company, it shall be the company and not the shareholders or the directors of the company which for the purpose of the Articles is deemed to be the Member. The Member company must notify the Company of any change of directors, secretary, registered office or company name.

Commitment by Members

- 5.1 Members agree from the date of their admission to the Company to sell all the wool which they produce in the Falkland Islands (except such wool as they retain in the Falkland Islands) through the agency of the Company.
- 5.2 Members that wish to sell any wool which they produce in the Falkland Islands outside the agency of the Company may do so only with the prior written approval of the Board.
- 5.3 Members that wish to carry out any Value-Adding Procedures to any wool which they produce in the Falkland Islands outside the agency of the Company may do so only with the prior written approval of the Board.

Application for Membership

- 6.1 All applications for membership shall be made to the Board in writing in such form as the Board in its absolute discretion may from time to time prescribe, and shall include the applicant's commitment that, if admitted to membership of the Company, they will sell all their wool through the Company's agency.
- 6.2 If the Board is minded to refuse an application for membership from an applicant for whatever reason, the Board must inform the applicant in writing of the reasons why they are minded to refuse the application. Any applicant who meets the qualification for membership must be given 28 days within which to submit to the Board a written response, which response must be considered by the Board before a decision is made to refuse or accept the application for membership.

Subscriptions

7. The Board reserves the right to charge Members an annual subscription. The amount or categorisation of any such annual subscription must be determined and approved in advance by the Company in general meeting.

Rights of Membership

8. Members shall be entitled to speak and vote at general meetings of the Company in accordance with the provisions of the Articles, and shall be entitled to

exercise such other rights as may be granted to the Members by the Board or by resolution of the Company in general meeting.

Membership Non-Transferable

9. The rights and interest of any Member of the Company are personal only and may not be transferred or transmitted to any other person whether on death or liquidation or otherwise.

Resignation of Membership

- 10.1 A Member may resign from membership of the Company by giving written notice to the Board, which notice shall take effect immediately.
- 10.2 No Farming Business which has resigned from membership of the Company shall be readmitted to membership of the Company until six months have elapsed from the date of the resignation.

Automatic Termination of Membership

11. A Member shall automatically forfeit their membership of the Company if they:-
 - (a) Being a company, enters into liquidation whether compulsory or voluntary (except for reconstruction of a solvent company) or has a receiver appointed or is dissolved or struck-off the Registrar of Companies.
 - (b) Being a corporation, is dissolved.
 - (c) Being an individual, is adjudicated bankrupt.
 - (d) Being an individual, becomes of unsound mind and has a receiver, curator bonis or guardian appointed to manage their affairs.

Expulsion of Member

- 12.1 The Board shall have power to pass a resolution expelling from membership of the Company any Member if it seems to the Board that the Member:-
 - (a) No longer meets the membership criteria.
 - (b) Fails to pay any money they owe the Company money within three months of receiving a written demand for payment.
 - (c) Sells their wool other than through the Company's agency without prior written consent from the Board.
 - (d) Has undertaken any activity the effect or likely effect of which is to undermine the sale of wool by the Company.

- (e) Has brought the Company or the agricultural industry of the Falkland Islands into disrepute.
 - (f) Behaves in a threatening or abusive manner towards any Member, Director or employee of the Company (whether in writing or in person).
 - (g) Carries out any other activity or behaviour which is not compatible with membership of the Company.
- 12.2 Before the Board shall pass a resolution expelling a Member from the Company, the Board must inform the Member in writing of the proposed resolution and the reasons behind it. The Member must be given 14 days within which to submit to the Board a written response, which response must be considered by the Board before the resolution is passed. If the resolution is passed it shall be effective immediately.
- 12.3 The Board in its absolute discretion may re-admit to membership of the Company any Member so expelled at such time and on such terms as it may determine.

GENERAL MEETINGS

Annual General Meetings

- 13.1 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. Provided the Company shall hold its first Annual General Meeting within 18 months of incorporation, it shall not be required to hold an Annual General Meeting in the year of incorporation or the year following.
- 13.2 Not more than 15 months shall elapse between the date of one Annual General Meeting of the Company and that of the next.
- 13.3 The Annual General Meeting shall be held at such time and place as the Board shall appoint.

Extraordinary General Meetings

- 14.1 All general meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
- 14.2 The Board may, whenever they think fit, convene an Extraordinary General Meeting.
- 14.3 The Board, upon receiving a requisition lodged in accordance with the terms of section 132 of the Act (or any statutory modification or re-enactment thereof for the time being in force in the Falkland Islands), shall convene an Extraordinary General Meeting to be held no later than 6 weeks after the date of lodging of the requisition at such time and place as the Board may fix. If the Board shall fail

to convene an Extraordinary General Meeting in response to such a requisition, the requisitioners shall be entitled to convene an Extraordinary General Meeting following the procedure set out in section 132 of the Act (or any statutory modification or re-enactment thereof for the time being in force in the Falkland Islands).

- 14.4 If at any time there are not within the Falkland Islands sufficient Directors capable of acting to form a quorum, any Director or any 2 Members may convene an Extraordinary General Meeting as nearly as possible in the same manner as that in which meetings may be convened by the Board.
- 14.5 An Extraordinary General Meeting shall be held within 3 months of the incorporation of the Company for the purpose of appointing Elected Directors.

Notice of General Meetings

- 15.1 An Annual General Meeting and a meeting called for the passing of a special resolution shall be called by 21 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 days' notice in writing at the least.
- 15.2 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. The notice shall be given to Members, Directors and the Auditor.
- 15.3 The Board, upon receiving a requisition signed by 5 Members proposing any resolution which may properly be moved at a general meeting, shall give notice of the proposed resolution when convening the next Annual General Meeting or Extraordinary General Meeting (including an Extraordinary General Meeting convened in accordance with article 14.3).
- 15.4 An Annual General Meeting or an Extraordinary General Meeting may be called at shorter notice than that specified in this article in accordance with the provisions of section 133 of the Act or any statutory modification or re-enactment thereof for the time being in force in the Falkland Islands.
- 15.5 If a general meeting is adjourned in accordance with article 17.2 or article 19, not less than 3 days notice shall be given of the adjourned meeting, such notice to 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 to specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business.
- 15.6 The accidental omission to give notice of a general 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.

Ordinary and Special Business

16. 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:-
- (a) the consideration of the accounts and balance sheets;
 - (b) the consideration of the reports of the Directors and Auditor;
 - (c) the election of Directors by the Members;
 - (d) the appointment of, and the fixing of the remuneration, of the Auditor.

Quorum

- 17.1 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, 50% of the Members of the Company present in person or by proxy shall be a quorum.
- 17.2 If within 30 minutes from the time appointed for a general 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 present at the general meeting may determine, and if at the adjourned meeting a quorum is not present within 30 minutes from the time appointed for the meeting the Members present shall be a quorum.

Chairperson at General Meetings

- 18.1 The Chairman shall preside as chairperson at every general meeting of the Company. If the Chairman is not present within 10 minutes after the time appointed for holding the meeting, or if they are unwilling to act, the Directors present shall elect one of their number (except the Managing Director) to be chairperson of the meeting.
- 18.2 If at any general meeting no Director is willing to act as chairperson, or if no Director is present within 10 minutes after the time appointed for holding the meeting, the Members present shall choose one of their number to be chairperson of the meeting.
- 18.3 The chairperson shall be responsible for ensuring the business of the meeting is conducted in a orderly fashion and that so far as possible all Members debating a resolution receive a fair hearing.

Adjournment

19. The chairperson 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. No business shall be transacted at any

adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Speaking

- 20.1 Every Member, every Director, the Secretary and the Auditor shall be entitled to speak at any general meeting of the Company.
- 20.2 A person holding a proxy executed by a Member and deposited with the Secretary in accordance with the Articles is entitled to attend and speak at any general meeting of the Company.
- 20.3 The Board shall have power to invite any person to attend and speak at any general meeting of the Company.

Firms

21. A Member which is a firm shall be deemed to be present in person at a general meeting of the Company if it is represented by one of the partners of the firm. Every partner of the firm shall have the right to speak, but the firm shall have only one vote.

Companies

22. A Member which is a company shall be deemed to be present in person at a general meeting of the Company if it is represented by one of the directors of the company. Every director shall have the right to speak, but the company shall have only one vote.

Corporations

23. A Member which is a corporation shall be deemed to be present in person at a general meeting of the Company if it is represented by one of its employees or by a member of its governing body (or in the case of FLH, also by the FLH Director). The corporation shall be entitled to send up to 3 representatives to general meetings of the Company, and each representative shall have the right to speak, but the corporation shall have only one vote.

Voting

- 24.1 At any general meeting of the Company every Member shall have one vote.
- 24.2 At any general meeting of the Company 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 by:-
 - (a) the chairperson;
 - (b) at least 5 Members present in person or by proxy.

- 24.3 Unless a poll be so demanded a declaration by the chairperson 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 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.
- 24.4 If a poll is duly demanded it shall be taken in such manner as the chairperson directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 24.5 The demand for a poll may be withdrawn, before the poll is taken, but only with the consent of the chairperson. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 24.6 In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson shall be entitled to a second or casting vote.
- 24.7 A poll demanded on the election of a chairperson, 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 chairperson 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.

Proxy

- 25.1 The proxy shall be in writing, and must be signed unless it is sent by email from an email address previously notified by the Member to the Secretary as an address for the service of notices to the Member. The signature must be that of an individual Member, or of a partner in a firm which is a Member, or of a Director of a company which is a Member, or of the Chairman or General Manager of a corporation which is a Member. If the Member is a company or corporation, the proxy does not require to be issued under seal.
- 25.2 The person named in the proxy need not be a Member. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- 25.3 The proxy shall be deposited with the Secretary not less than one hour before the time for holding the meeting or adjourned meeting at which the person named in the proxy proposes to vote. If the proxy is not so deposited, it shall not be treated as valid.
- 25.4 The proxy may restrict the items upon which the person named in the proxy may vote to one or more matters of business due to be discussed at the meeting or adjourned meeting. If the proxy contains no such restriction the person named in the proxy shall be entitled to vote on every matter of business which is put to the vote. The proxy may direct how the person named in the instrument is to vote. If the proxy contains no such direction the person named in the proxy shall be entitled to vote as they choose.

- 25.5 A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous revocation of the proxy, provided that no intimation in writing of such revocation shall have been received by the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

Objections to Voters

26. No objection shall be raised to the qualification of any voter except at the general meeting or adjourned meeting at which the vote objected to is tendered. Every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be considered by the chairperson whose decision shall be final and conclusive.

Resolution in Writing

27. Subject to the provisions of the Act a resolution in writing signed by all the Members (or by such number of Members as may be allowed under any statutory modification or re-enactment of the Act for the time being in force in the Falkland Islands) shall be as valid and effectual as if the same had been passed at a general meeting of the Company duly convened and held. The resolution may consist of several documents in the same form signed by one or more Members. For the purpose of this article 'signed' shall be deemed to include an email agreeing with the resolution sent by a Member to the Chairman, Managing Director or Secretary.

DIRECTORS

Board of Directors

- 28.1 There shall be a Board of Directors appointed in accordance with the Articles and comprising:-
- (a) 5 Elected Directors elected by the Members at the Annual General Meeting.
 - (b) An individual resident in the Falkland Islands, appointed from time to time by the FLH Board. The appointee need not be either an employee of FLH nor a member of the FLH Board. The FLH Board must notify the Company immediately of any change of appointee.
 - (c) The Managing Director (if appointed).
- 28.2 The Subscribers shall hold office as the first Elected Directors until the first general meeting of the Company.

Elected Directors

- 29.1 Any Elected Director must be an individual who is a Member, or a partner in a firm which is a Member, or a director in a company which is a Member. Every Elected Director must reside in the Falkland Islands.
- 29.2 No person shall be appointed as an Elected Director unless they have given notice to the Secretary not less than 7 clear days before the Annual General Meeting of their intention to stand for election.
- 29.3 The Secretary shall send out to Members not less than 5 clear days before the Annual General Meeting details of each person proposing to stand for election.
- 29.4 At the Annual General Meeting the Secretary shall conduct a secret ballot to fill those positions of Elected Director which fall vacant. If the number of candidates does not exceed the number of vacancies, the ballot paper shall ask Members to ratify the candidates' appointment. The Secretary shall count the votes, and shall inform the chairperson of the names of those persons elected as Elected Director (or whose appointments as such are ratified by the Members). The chairperson shall announce the results of the ballot. In the event of 2 or more candidates tying for election, or in the event of a candidate whose appointment requires ratification receiving an even number of votes for and against, the chairperson shall exercise a casting vote before announcing the result of the ballot.
- 29.5 If after the chairperson has announced the result of the ballot, there are still one or more positions of Elected Director lying vacant, the chairperson shall invite nominations from the Members present at the Annual General Meeting. Nominations may only be made at the meeting in respect of persons present and willing to be appointed. If nominations are received at the meeting, a secret ballot shall be conducted by the Secretary inviting Members to choose between candidates, or to ratify the appointment of candidates where the number of candidates does not exceed the number of vacancies remaining. The ballot shall be conducted in the same way as though the nominations had been duly lodged with the Secretary before the Annual General Meeting.
- 29.6 Without prejudice to the powers of the Board, the Company in general meeting may by resolution appoint as an Elected Director any person who fulfils the criteria for appointment either to fill a casual vacancy or as an additional Elected Director.
- 29.7 Elected Directors usually hold office for a period of three years until the third Annual General Meeting following the date of their election or appointment by the Company in general meeting.
- 29.8 If following the Annual General Meeting, there are still vacancies for Elected Directors, the remaining Directors may co-opt onto the Board any person who fulfils the criteria for appointment as an Elected Director.
- 29.9 If a casual vacancy arises amongst the Elected Directors (for whatever reason), the remaining Directors may co-opt onto the Board any person who fulfils the criteria for appointment as an Elected Director.

- 29.10 An Elected Director who is co-opted onto the Board holds office until the first Annual General Meeting following the date of their co-option.
- 29.11 All Elected Directors, including an Elected Director who is co-opted onto the Board, are eligible for re-election.
- 29.12 If two or more Elected Directors, not including an Elected Director who is co-opted onto the Board, are due to retire at the same Annual General Meeting then at the earliest opportunity they shall agree among themselves (or failing agreement, shall draw lots to decide) their respective dates of retirement so that, where possible, no more than one-third of the Elected Directors retire at any one Annual General Meeting but no Elected Director continues in office for longer than three years without subsequent re-election.
- 29.13 The Company may from time to time by ordinary resolution increase or reduce the number of Elected Directors, and may also determine in what rotation the increased or reduced number are to go out of office.

Chairman

30. Immediately following the Annual General Meeting the Board shall choose one of their number (except the Managing Director) to hold the post of Chairman for the next year.

Chairperson at Board Meetings

31. The Chairman shall preside as chairperson at meetings of the Board. In the absence of the Chairman, the Directors shall appoint one of their number (except the Managing Director) as chairperson.

Attendance at Board Meetings

32. Any Director (except the Managing Director) who is unable to attend any Board or Committee meeting shall be entitled by giving prior notice to the Chairman or Managing Director to send another person to attend and speak and vote on their behalf.

Quorum

- 33.1 No business shall be transacted at any Board meeting unless a quorum of Directors is present at the time when the meeting proceeds to business. 3 Directors, including one Elected Director, shall be a quorum.
- 33.2 The continuing Directors may act notwithstanding any vacancy amongst their number, but if and so long as the number of Elected Directors is reduced below 2, the continuing Directors or Director may act for the purpose of increasing the number of Elected Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.

Personal Interest

34. A Director who to their knowledge has a material financial interest in any matter to be discussed by the Company in general meeting or at a meeting of the Board or any Committee must disclose the nature and extent of their interest. The Director shall not be entitled to vote in respect of any such matter unless the chairperson of the meeting directs that either the extent of the Director's interest is not sufficiently material to disbar him from voting or a majority of Members also share a similar material financial interest in the matter.

Automatic Disqualification of Directors

35. A Director shall automatically cease to be a Director of the Company if they:-
- (a) Becomes bankrupt or makes any arrangement or composition with their creditors generally;
 - (b) Becomes prohibited by law from being a Director by reason of any provision including by order made under section 188 of the Act ("power to restrain fraudulent persons from managing companies");
 - (c) Ceases to be a Director upon reaching the age of 70 if required by virtue of section 185 of the Act or any statutory modification or re-enactment thereof for the time being in force in the Falkland Islands;
 - (d) Is directly or indirectly interested in any contract with the Company and fails to declare the nature of their interest in the manner required by section 199 of the Act;
 - (e) Resigns their office as Director by notice in writing to the Company, which notice shall take effect immediately;
 - (f) Becomes of unsound mind, and has a receiver, curator bonis or guardian appointed to manage their affairs;
 - (g) In the case of an Elected Director, ceases to be a Member of the Company (or the firm or company of which the Elected Director is a partner or director ceases to be a Member of the Company);
 - (h) In the case of the FLH Director, is succeeded by a new representative appointed by the Board of FLH;
 - (i) In the case of the Managing Director, upon termination of their employment with the Company.

Removal of Director by Board

- 36.1 The Board shall have power to pass a resolution removing from the office of Director any Elected Director if it seems to the Board that the Elected Director:-
- a) Has failed to attend two consecutive Board meetings without good cause.

- b) Fails to pay any money they owe to the Company money within three months of receiving a written demand for payment.
 - c) Sells their wool other than through the Company's agency without prior written consent from the Board.
 - d) Has undertaken any activity the effect or likely effect of which is to undermine the sale of wool by the Company.
 - e) Has brought the Company or the agricultural industry of the Falkland Islands into disrepute.
 - f) Behaves in a threatening or abusive manner towards any Member, Director or employee of the Company (whether in writing or in person).
 - g) Carries out any other activity or behaviour which is not compatible with the standards expected of a Director.
- 36.2 The Board must inform the Director in writing of the proposed resolution and the reasons behind it. The Director must be given 14 days within which to submit to the Board a written response. The Director shall also be entitled to attend a meeting of the Board called to consider the proposed resolution. Any representations made by the Director in writing or in person must be considered by the Board before the proposed resolution is passed. If the resolution is passed it shall be effective immediately.
- 36.3 Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between them and the Company.

Expulsion of Director by Company

- 37.1 The Company in general meeting may by ordinary resolution, of which special notice has been given in accordance with section 142 of the Act, remove any Elected Director or the Managing Director before the expiration of their period of office notwithstanding anything in the Articles or in any agreement between the Company and such Director.
- 37.2 The Director shall be entitled to submit to the Secretary a written response to the proposed resolution. At the general meeting at which such resolution is considered, any representations made by the Director in writing or in person must be considered by the Members before the proposed resolution is made. If the resolution is passed it shall be effective immediately.
- 37.3 Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between them and the Company.

Remuneration

- 38.1 The remuneration (if any) of the Elected 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.
- 38.2 The remuneration of the Managing Director shall be determined by the Board and may combine remuneration for services outside the scope of the ordinary duties of a Director and remuneration for services in discharge of the duties of a Director.

Expenses

39. All Directors shall be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from general meetings of the Company or meetings of the Board or in connection with the business of the Company; provided that no Director except the Managing Director shall incur any overseas travelling, hotel or other expenses (including the cost of travelling to and from the Falkland Islands) unless the Board grants prior approval to such expenses being incurred.

Borrowing Powers

40. The Board may exercise all the powers of the Company to borrow and lend money, to give guarantees and to mortgage or charge the undertaking and property, or any part thereof, as security for any debt, liability or obligation of the Company or of any third party.

Powers and Duties of the Board

- 41.1 The business of the Company shall be managed by the Board, who may pay all expenses incurred in promoting and registering the Company, and may exercise all the powers of the Company as are not, by the Act or by the Articles or by a regulation passed by the Company in general meeting, required to be exercised by the Company in general meeting.
- 41.2 The Company in general meeting cannot make a regulation that overrides the Memorandum or Articles.
- 41.3 No regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Delegation of Board Powers

- 42.1 The Board may from time to time and at any time, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and with such powers (not exceeding those vested in or exercisable by the Board under the Articles) and for such period and subject to such conditions as the Board may determine.

- 42.2 The Board may delegate any of their powers to any Committee consisting of at least 2 Directors and such other persons, whether or not Directors or Members, as the Board may think fit.
- 42.3 Any delegation may be made subject to any conditions the Board may impose, and either collaterally with or to the exclusion of their own powers, and may be revoked or altered. Subject to any such conditions, the proceedings of a Committee shall be governed by the Articles regulating the proceedings of the Board so far as they are capable of applying.

Proceedings of the Board

- 43.1 The Board may meet for the despatch of business, adjourn, and otherwise regulate their meetings, as the Directors think fit, provided the Board meets at least twice in every year.
- 43.2 Board meetings may be held by the use of video-conferencing or telephone-conferencing facilities. Every Director participating throughout the meeting by use of video or telephone links shall be deemed to be present.
- 43.3 Questions arising at any meeting of the Board shall be decided by a majority of votes. In the case of an equality of votes the chairperson shall have a second or casting vote.
- 43.4 A Director may, and the Managing Director or Secretary on the requisition of a Director or the Auditor shall, at any time summon a meeting of the Board.
- 43.5 The Board shall have power to invite any person to attend and speak (but not vote) at any meeting of the Board.
- 43.6 Every Director shall be entitled at any meeting of the Board to raise any matter whatsoever relating to the Company whether or not they have given prior notice that they want to raise the matter. It shall be for the chairperson, having regard to the urgency and complexity of the matter and the wishes of all Directors present, whether the matter should be discussed at that meeting, or added to the agenda for the next meeting of the Board.
- 43.7 All Directors shall preserve confidentiality in relation to all the Company's business activities, and by way of example and not limitation shall not release any information about purchasers of wool from the Company, shipping arrangements, rates of commission, distribution of profits, procurement of goods or services until such information has been released by the Company whether through press releases, lodging of accounts with the Registrar of Companies or otherwise.

Notice of Board Meetings

- 44.1 Except in any case deemed by the Chairman, Managing Director or Secretary to be urgent, 3 clear days' notice in writing shall be given to all Directors of a Board meeting. 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 the meeting and the general nature of the business to be conducted at the meeting. This article shall not exclude the right of Directors to bring business to Board meetings without prior notice.

- 44.2 A Board meeting may be called at shorter notice than that specified in this article provided all the Directors agree.
- 44.3 The accidental omission to give notice of a Board meeting to, or the non-receipt of notice of a meeting by, a Director shall not invalidate the proceedings at that meeting.

Proceedings of Committees

- 45.1 A Committee may meet and adjourn as it thinks proper. Questions arising at any Committee meeting shall be determined by a majority of votes of the Committee members present, and in the case of an equality of votes the chairperson of the Committee (who shall be chosen in the same way as the chairperson of the Board) shall have a second or casting vote.
- 45.2 Any Director shall be entitled to attend any Committee meeting. A Committee shall have power to invite any person to attend and speak (but not vote) at any meeting of the Committee.

Defects in Appointment

46. All acts done by any meeting of the Board or of a Committee, or by any person acting as a Director, 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, shall be as valid as if every such person had been duly appointed and was qualified to be a Director.

Resolution in writing

47. A resolution in writing, signed by all the Directors, shall be as valid and effectual as if it had been passed at a Board meeting of the Directors duly convened and held. The resolution may consist of several documents in the same form signed by one or more Directors. For the purpose of this article 'signed' shall be deemed to include an email agreeing with the resolution sent by a Director to the Chairman, Managing Director or Secretary.

Indemnity of Directors

- 48.1 Subject to the provisions of the Act but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or Secretary or other officer of the Company shall be indemnified out of the assets of the Company against any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust in relation to the affairs of the Company and against all costs, charges, losses, expenses or liabilities incurred by them in the execution and discharge of their duties or in relation thereto.

48.2 In the management of the affairs of the Company no Director shall be liable for any loss to the property of the Company arising by reason of improper investment made in good faith (so long as professional advice was sought before making the investment) or for the negligence or fraud of any officer or agent employed by the Company or by any Director in good faith (provided reasonable supervision shall have been exercised) or by reason of any mistake or omission made in good faith by any Director or by reason of any other matter or thing other than wilful and individual fraud, wrongdoing or wrongful omission on the part of the Director who is sought to be made liable.

MINUTES

49.1 The Board shall cause Minutes to be kept:-

- (a) of all appointments of agents, formations of Committees and delegations of powers made by the Board in accordance with the Articles;
- (b) of the names of the Members and other persons present at each general meeting of the Company;
- (c) of the names of the Directors and other persons present at each Board or Committee meeting; and
- (d) of all resolutions and proceedings at all general meetings of the Company, and at all Board meetings, and at all meetings of Committees.

49.2 Minutes of general meetings and Board meetings shall be circulated to Directors as soon as reasonably practicable following the meeting.

49.3 Minutes of Committee meetings shall be circulated to all Directors and other members of the Committee as soon as reasonably practicable following the meeting.

49.4 The Board shall make arrangements for all Minutes to be available for inspection by Directors, and for Minutes of general meetings of the Company to be open to inspection by Members.

SECRETARY

50.1 The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as the Board thinks fit; and any Secretary so appointed may be removed by them.

50.2 A provision of the Act or the Articles 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.

50.3 The Secretary shall be responsible for the maintenance of the Register of Members; for the safe-keeping of the common seal of the Company; for the

keeping in order of all Company documentation; and for the making of all returns required under the Act, including notifications of all appointments, retirements and removals of Directors.

THE SEAL

51. The Secretary shall be responsible for the safe custody of the common seal of the Company, which shall only be used by the authority of the Board, 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.

CHEQUES AND BILLS, etc.

52. 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 Board shall from time to time by resolution determine.

BOOKS OF ACCOUNT

- 53.1 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.
- 53.2 Proper books 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 transactions.
- 53.3 The books of account shall be kept at the registered office of the Company or, subject to section 147(3) of the Act, at such other place or places as the Board thinks fit, and shall always be open to inspection by any Director or by the Secretary or Auditor.
- 53.4 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 Board or by the Company in general meeting.

PROFIT AND LOSS ACCOUNT, AND BALANCE SHEET

- 54.1 The Board shall from time to time in accordance with sections 148, 150 and 157 of the Act, cause to be prepared and to be laid before the Company in general meeting annual accounts comprising a profit and loss account and balance sheet,

a report by the Board on the financial state of the Company, and such other reports as are referred to in those sections.

- 54.2 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 Auditor's report, shall not less than 21 days before the date of the meeting be sent to every Member and to every other person who is entitled to receive notice of the Company's Annual General Meeting. This Article does not require a copy of these documents to be sent to any person whose address is unknown to the Company.

AUDIT

55. An Auditor shall be appointed and their duties shall be regulated in accordance with sections 159 to 162 of the Act. An Auditor shall have the right at their discretion to attend any general meeting of the Company.

MEMBER AND STAKEHOLDER ENGAGEMENT

56. The Company actively will seek to engage with Members, employees and funders through consultation and regular updates on Company activities, and by such other means as the Board consider appropriate.

TRADING ACTIVITIES

- 57.1 Without limiting the Company's ability to engage in other trading activities in support of the Company's objects, the Company shall sell wool produced in the Falkland Islands on behalf of both Members and any other Farming Business which applies to sell its wool through the Company's agency.
- 57.2 The rates of commission charged by the Company on wool sales shall be fixed from time to time by the Board. The Board may fix differential rates of commission for Members and non-Members, and may vary rates of commission according to any factor which the Board considers appropriate including by way of example the volume of wool sold by a Member or other Farming Business through the Company.
- 57.3 Any profits made by the Company (including any extraordinary income arising other than through commission on wool sales) shall be retained by the Company or invested into the agricultural industry in the Falkland Islands or distributed among Members as the Board thinks fit.
- 57.4 If profits are distributed which arise from before the death or automatic termination of membership or expulsion from the Company of any Member, the Board must distribute that former Member's share of the profits to the person entitled thereto, whether that be the Member, their personal representatives, trustee in bankruptcy, liquidator, receiver or other person.

MANAGING DIRECTOR

- 58.1 The Board shall have power to appoint a Managing Director for such period, at such remuneration and upon such terms as the Board may think fit, and subject to the terms of any agreement entered into in any particular case, the Board may revoke such appointment.
- 58.2 In relation to their duties and obligations as a Board member, the Managing Director shall exercise such of the powers of the Board as the Board may from time to time consider desirable to be exercised by the Managing Director. Any such delegation may be made subject to any conditions the Board may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered.

NOTICES

- 59.1 A notice (and any other document required by law or by the Articles to be issued to Members) may be given by the Company to any Member or other person either personally, or by sending it by post to them at his residential or business address or registered office or to any address supplied to the Secretary for the giving of notice, or by emailing it to any email address supplied to the Secretary for the giving of notice.
- 59.2 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 at the expiration of two working days after the letter containing the same is posted. In any other case, service of the notice shall be deemed to be effected immediately at the moment the notice is handed to the person or sent to them by email.

ALTERATION OF THE ARTICLES

60. The Company may alter the Articles only by special resolution in accordance with the provisions of section 10 of the Act or any statutory modification or re-enactment thereof for the time being in force in the Falkland Islands.

NAMES, ADDRESS, AND DESCRIPTIONS OF SUBSCRIBERS

Signed by)
 Benjamin John Berntsen)
 In the presence of)

Witness Signature)

Witness Full Name)

Witness Occupation)

Witness Address)

Signed by)
Michael David Evans)
In the presence of)

Witness Signature)

Witness Full Name)

Witness Occupation)

Witness Address)

Signed by)
Nigel Arthur Knight)
In the presence of)

Witness Signature)

Witness Full Name)

Witness Occupation)

Witness Address)

Dated the day of 2006