

ASSOCIATION OF ZAMBIAN MINERAL EXPLORATION COMPANIES

(AZMEC)

CONSTITUTION

PREAMBLE

An association formed for the promotion, growth and sustainable development of the mineral exploration industry in Zambia and its participants and in pursuance of which may to do all such things without limitation as are necessary or incidental including lobby stakeholders, disseminate information and affiliate with other associations but at all times in the interests of its members.

NAME

1. The name of the Association is "Association of Zambia Mineral Exploration Companies" ("the Association").

DEFINITIONS

2. In this Constitution the following expressions unless the context otherwise requires shall have the following meanings:

"the Act" means the Societies Act Chapter 119 of the Laws of Zambia;

"the Association" means this Association;

"company" means a company or branch of a foreign company registered under the Companies Act No. 10 of 2017.;

"this Constitution" means this Constitution and rules as amended from time to time;

"the Council" means the Council referred to in Clause 30 hereof;

"Councillor" means a member of the Council;

"the financial year of the Association" means each year commencing on 1 January and expiring on 31 December;

"GRZ" means the Government of the Republic of Zambia;

"US\$" or "US Dollar(s)" means United States Dollars, the official currency of the United States of America;

"member" includes Large Scale Member, Small Scale Member, Associate Member, Individual Member and Honorary Life Member as defined in Clause

8;

“Office” means the principal office of the Association at 1st Floor, UCZ House, No. 8, Mosi-O-Tunya Road, Woodlands, Lusaka, Zambia or as from time to time determined

by the Council;

“Person” means a natural person;

“the Seal” means the common seal of the Association;

“the Secretary” means the Secretary of the Association.

OBJECTS

3. The objects of the Association shall be:

- (a) To promote in general the interests of the mineral exploration industry within the Republic of Zambia.
- (b) To assist in any lawful manner in the growth, stability and economic wellbeing of the mineral exploration industry.
- (c) To consider all questions connected with the mineral exploration industry and to stimulate government and public interest therein.
- (d) To promote, oppose or propose any legislation or to petition GRZ or any legislative or administrative body, on any matters affecting the interests of the Association or any of the members.
- (e) To arrange technical discussion groups, seminars and lectures involving visiting or resident experts in various fields including but not limited to mining, mineral exploration, mineral processing, financing, marketing and mining law and to arrange visits to mineral exploration projects.
- (f) To assist in the advancement of the mineral exploration industry, by promoting and encouraging the dissemination of general and technical information among the public and also among people employed in the industry.
- (g) To provide, maintain, manage and carry on principal and branch offices, clubs, social centres and places of meeting, study, research, instruction and recreation.
- (h) To assist in bringing together people associated with the mineral exploration industry and to promote friendly relations through social intercourse and discussion of matters of mutual interest.

- (i) To provide or arrange for facilities to permit assembly of the members and their guests to further these objects.
- (j) To affiliate, co-operate, associate or amalgamate with any other association, club or organization having similar objects to the Association.
- (k) To establish anywhere within Zambia and other African countries, a branch or branches or like body, organization or association whose objects are the same or substantially similar to the Association which may, in conjunction with or in its own right, promote the objects of the Association.

POWERS

4. For the purposes of carrying out its objects the Association shall have power:

- (a) To purchase, take on lease, or in exchange, hire or otherwise acquire any real or personal property on such terms and conditions and subject to such encumbrances, liabilities and obligations as may be required, agreed, accepted or undertaken.
- (b) To construct, maintain and alter any houses, buildings or works necessary or convenient for the purposes of the Association.
- (c) To sell, manage, lease, exchange, hire, mortgage, charge, dispose of or deal otherwise with any real or personal property of the Association.
- (d) To take such steps by personal or written appeals, public appeals, meetings or otherwise as may from time to time be deemed expedient for the purpose of procuring contributions to the funds of the Association or to any particular fund established by the Association.
- (e) To establish any fund designated by name or record of the Association for a particular purpose or the achievement of a particular objective or the completion of a particular project, and to seek contributions to any such fund by donations, allocation of part or the whole of incoming subscriptions and otherwise.
- (f) To incur any liability and undertake any obligation of or incidental to the objects of the Association.
- (g) To apply or invest any monies of the Association in such manner as may from time to time be determined and any such investment shall be within the discretion of the Association and shall not be limited to those investments which are legally permissible for the investment of trust funds.
- (h) To borrow money with or without security for the purpose of carrying out and exercising any of the objects or powers of the Association and also to lend money to such persons on such terms as may seem expedient

and to guarantee the performance of contracts and obligations by any person (including the payment to any bank or other lender on demand or otherwise of any monies, loans, advances or banking accommodation and interest and charges) and to give security for the same by the issue of bonds, debentures or other security, mortgage, charge, or otherwise encumber the whole or any part of the assets of the Association in support of any such borrowing or guarantee **PROVIDED THAT the Council shall not borrow** or given any guarantee or provide any security of **more than TEN THOUSAND US DOLLARS (US\$10,000) in any financial year of the Association without the approval of the general meeting of Members.** (i) To engage and dismiss agents and advisers of and to the Association.

- (j) Engage, appoint, control, remove, discharge, suspend or dismiss such representatives, agents and servants or to other employees in respect of permanent, temporary or special services as the Council may from time to time think fit and to determine their salary, wages or other remuneration.
- (k) To open and operate Bank accounts of all kinds and to draw and accept cheques or other negotiable instruments.
- (l) To do all such acts and things as are or may be incidental or conducive to the attainment or furtherance of any of the objects or the exercise of any powers of the Association in accordance with this Constitution.

ASSOCIATION PROPERTY

- 5. The income and property of the Associations shall be vested in the members of the Council jointly on trust for the Association and applied solely towards the promotion of the objects of the Association as set forth in this Constitution and to do anything ancillary or incidental to such objects and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit to, or amongst, the members of the Association PROVIDED THAT:
 - (a) Nothing herein contained shall prevent the payment in good faith of reasonable and proper remuneration to any officers or servants of the Association or to any member of the Association or any representative of any Member or Association Member of the Association in return for any services actually rendered to the Association or prevent the payment of interest at a rate not exceeding interest at the rate for the time being charged by bankers in Zambia for overdrawn accounts on money lent or reasonable and proper rent for premises demised or let by any member of the Association.
 - (b) No Councillor shall be appointed to any salaried office of the Association other than for the provision of professional services and no remuneration or other benefit in money or money's worth shall be given by the Association to any Councillor.
 - (c) Nothing herein contained shall be construed so as to prevent the payment of an honorarium to any Councillor in respect of special honorary services rendered or the repayment to any Councillor of out-of-

pocket expenses and interest on money lent or for hire of goods or rent for premises demised to the Association.

6. If upon winding up or dissolution of the Association there remains after satisfaction of all its debts and liabilities any real or personal property the same shall not be paid to or distributed amongst the members but shall be given or transferred to some other institution or association preferably having objects similar to the objects of the Association and which prohibits the distribution of its income and property amongst its members to an extent at last as great as is imposed on the Association under and by virtue of Clause 5. Such institution or association shall be determined by the Members at or before the time of winding up or dissolution.
7. True accounts shall be kept of the real or immovable and personal property, credits and liabilities of the Association in accordance with Clauses 57 and 59 and, at the absolute discretion of the Council on subject to any reasonable restriction as to the time and manner of inspecting the same that the Council may impose shall be open to the inspection of the members.

MEMBERSHIP

8. (1) There shall be five classes of membership of the Association – **“Members”, “Large Scale Members”, “Associate Members”, “Small Scale Members”, “Individual Members” and “Honorary Life Members”**.
 - (1) A Large Scale Member must be a Company engaged in large scale mining and/or mineral exploration and which the Council in its absolute discretion resolves to admit as a Member.
 - (2) A Small Scale Member must be a company engaged in small scale mining and/or mineral exploration and which the Council in its absolute discretion resolves to admit as a Member.
 - (3) An Associate Member must be a Company or partnership which the Council is satisfied is carrying on business in a service, profession or industry incidental to mining or mineral exploration and which the Council in its absolute discretion accepts as having sufficient standing in the mining or mineral exploration industry to be able to assist in the furtherance of the objects of the Association.
 - (4) All members apart from Honorary Life Members shall have the right to vote at a General Meeting or Special General Meeting of the Association, however each ‘Large Scale’ Member vote shall count as 3 votes, each ‘Small Scale or Associate’ Member vote shall count as 2 votes and Individual Member vote shall count as 1

An Individual Member must be a person whom the Council is satisfied is carrying on or is engaged in or has carried on or been engaged in a business, service, profession or industry or in a public service or academic position in or in relation to mining or mineral exploration and whom the Council in its absolute discretion accepts as having or

having had sufficient standing in the mining or mineral exploration industry to be able to assist in the furtherance of the objects of the Association. The Council in its absolute discretion may refuse to grant Individual Membership to those persons who hold senior positions with a Company engaged in mining and/or mineral exploration where that company is eligible to be admitted as a Member of the Association and has not been so admitted.

- (5) An Honorary Life Member shall by virtue of such membership have no right to vote at any General Meeting of the Association.

9. (1)

- (a) A Member shall nominate by notice in writing to the Secretary one natural person to act as its representative who shall have the right on behalf of the Member to receive notices from the Association on behalf of the Member, to attend meetings of the Association and to vote thereat and generally exercise all rights of membership on behalf of the Member. The Member may from time to time revoke the nomination of any such representative and nominate by notice in writing to the Secretary another representative in the place of the person whose nomination has been revoked.
- (b) The same person may not be nominated as the representative of more than one Member and in such case while so acting shall at any General Meeting of the Association be entitled to cast one vote for each such Member.
- (c) A representative of a Member at the date this Clause is adopted shall be deemed (subject to this Constitution) to continue to be the representative of that Member until the conclusion of the Annual General Meeting next following the adoption of this Clause.

(2)

- (a) An Associate Member shall nominate by notice in writing to the Secretary one natural person to act as its representative who shall have the right on behalf of the Associate Member to receive notices from the Association on behalf of the Association Member, to attend meetings of the Association and generally exercise all rights of membership on behalf of the Associate Member. The Associate Member may from time to time revoke the nomination of any such representative and nominate by notice in writing to the Secretary another representative in the place of the person whose nomination has been revoked.
- (b) The same person may not be nominated as the representative of more than one Associate Member.

ANNUAL SUBSCRIPTIONS

10. (1)

Large Scale and Small Scale Members, Associate Members and Individual Members shall pay such respective annual subscriptions as determined by the Council from time to time and for the

(a)

purposes hereof the Council May from time to time subject to subclauses (3) and (4) prescribe a different annual subscription amount in respect of each class of membership.

(b) The annual subscription

payable by a Large Scale Member shall
be Five Thousand Five Hundred
US Dollars (US\$5,500), Small Scale Member shall be US Dollars Two
Thousand Two Hundred (US\$2,200), Associate Member shall be US Dollars
Two Thousand Two Hundred (US\$2,200) and Individual Member shall be US
Dollars One Hundred and Ten (US\$110) respectively.

(c) No annual subscription shall be payable by an Honorary Life Member.

(2) The Council may from time to time prescribe or vary a nomination fee payable in respect of an application for membership of the Association or for any class or classes of such membership and a nomination fee when paid shall not be refundable in any circumstances where an application for membership to which that fee relates has been approved by the Council.

(3) In determining the annual subscriptions under sub-clause (1) and any nomination fee under sub-clause(2) the Council shall take into account in its absolute discretion the amount it considers necessary to provide sufficient funds for the purposes of conducting the Association's affairs and furthering its objects and the provisions of sub-clause (5).

(4) Subject to sub-clause (5) and to Clauses 11 and 13:

(d) (a) Members in each class of membership shall each pay an equal annual subscription. .

(e) No subscription whether paid in advance or otherwise shall be refundable despite the member ceasing for any reason to be a member during the period to which that subscription applies or for any other reason.

11. Subject to sub-clause 10(5) a member's annual subscription shall be due and payable on the date of becoming a member and thereafter on 1 April in every year and shall cover the twelve (12) months' period ending 31 March in the next year in which the subscription becomes due and payable PROVIDED THAT in respect of any new member who joins after 30 September in any year the Council, in its absolute discretion, may fix as the annual subscription payable by that new member for the period ending on 31 March in that financial year to an amount equal to a prorated % of the then current annual subscription that would have otherwise been payable by that member for a full year's subscription.
12. A member shall be deemed in default when that member's subscription is three (3) months in arrears. While a Member or Associate Member is in default its representative shall not be entitled to vote at any General Meeting of the Association.

ELECTION OF MEMBERS

13. Subject to clause 13(A) the Council shall be responsible for the election of members. Applications for membership shall be submitted to the Secretary on such application form as the Council may from time to time prescribe accompanied by any appropriate nomination fee. Such applications shall be considered at the monthly meetings of the Council in the order they are received by the Secretary. Approval of not less than fifty per centum (50%) of Councilors is required for election to membership. The Council may reject any application without giving any reason to the applicant. An applicant approved by the Council shall be required to pay the appropriate annual subscription within thirty (30) days of notice of approval of the application being posted to the applicant at its, his or her address shown on the applicant's application form. Failing such payment the approval of the application will become null and void. Upon due payment of the annual subscription the application shall be deemed to have become a member of the class of membership applied for. Members and Associate Members who are financial members when this Clause is adopted shall continue to be financial members until the expiration of the period for which their respective subscriptions have been paid.
13. (A)
 - (1) The Council may from time to time appoint as Honorary Life Members Individual persons who in the opinion of the Council have rendered to the Association in any capacity distinguished or outstanding assistance in relation to its formation, operation, representation, standing or in or towards the attainment of the Association's objects or any of them.
 - (2) Nominations for Honorary Life Membership may be made by any Member, Associate Member or Individual Member.
 - (3) Any nomination for Honorary Life Membership must be delivered to the Council in writing, endorsed with the consent of the nominee and be accompanied by a written statement setting out the reasons why

the nominator considers the nominee a suitable person to receive Honorary Life Membership.

- (4) The decision to appoint or reject the nomination of an Honorary Life Member shall be in the absolute discretion of the Council which in the case of any rejection shall not be obliged to give any reasons therefore.
- (5) An Honorary Life Member appointed shall not be entitled to hold any position Association.

REGISTER OF MEMBERS

14. The Association shall keep and maintain in an up to date condition at the Office:

- (a) A register of:
 - (1) The members and their respective membership classifications and their respective addresses;
 - (2) The names and addresses of the respective representatives nominated by Members and Associate Members;
 - (3) The persons who hold office in the Association; and
 - (4) The persons who are authorised to use the Seal; and
- (b) This Constitution.

CESSATION OF MEMBERSHIP

- 15. A member may resign from membership of the Association at any time by giving notice in writing to the Secretary but shall continue liable for any annual subscription for the financial year of the Association current at the date such resignation is received by the Secretary and for all arrears due and unpaid at that date.
- 16. If any member shall refuse or neglect to comply with the provisions of this Constitution or if any member or any representative of a Member or of an Association Member shall in the opinion of the Council be guilty of any conduct deemed by the Council to be unbecoming of a member or prejudicial to the interests of the Association such member's membership may be cancelled and the member may be expelled by resolution of the Council and such resolution need not state the grounds, facts or opinions upon which it is based.

PROVIDED THAT:

- (a) at least twenty one (21) days before the meeting of Council at which such a resolution is proposed notice in writing of the intended resolution shall be served on the member together with a request to the member to be present or represented at the meeting and the member shall at such meeting and before such resolution is voted upon have an opportunity of giving orally or in writing any explanation or defence that the member may think fit.
- (b) At least twenty one (21) days written notice of the meeting to consider the case of a member under this Clause shall be served on all Councillors and the notice convening the meeting shall state the circumstances relating to the particular member and that the question of that member's membership is to be considered.

Any resolution under this Clause shall require for its passage a simple majority of the votes of the Councillors present and voting.

17. Cancellation of Membership shall not entitle a member to any refund of all or any part of that member's annual subscription (whether paid in advance or otherwise) or any nomination fee nor release that member from liability for any annual subscription up to and including the date of cancellation of membership or for any arrears or other moneys then due but unpaid by the member to the Association at that date.

COMPLIANCE WITH THIS CONSTITUTION

18. Every member and every representative of a Member of an Association Member shall comply with:

- (a) This constitution; and
- (b) The rules relating to any premises owned occupied or used by the Association

And failure to do so may subject to Clause 17 incur cancellation of membership of the member at the absolute discretion of the Council.

CONSTITUTION SUB-COMMITTEE

19. In the exercise of the power referred to in clause 44, the Council may from time to time appoint from amongst the Councillors a Committee to meet from time to time to consider the need for amendments to this Constitution.

GENERAL MEETINGS

20.

- (a) The Annual General Meetings of the Association shall be held within three (3-) months of the financial year end of the Association. All other meetings of the Association shall be Special General Meetings.
- (b) At least fourteen (14) clear days notice of each General Meeting shall be served on each member but accidental omission to give notice to any

member shall not invalidate the meeting. Each such notice shall specify the business to be transacted at such meeting.

21. The Council may in its absolute discretion call a Special General Meeting of the Association and shall be bound to do so upon the receipt of a request in writing signed by representatives of at least twenty per centum (20%) of the current Members who are not in default in payment of subscriptions (a "Non Defaulting Member") stating the purpose for which such meeting shall be called. Such meeting shall be held within thirty (30) days of receipt of such written request.

22.

- (1) At every General Meeting of the Association the President or in his or her absence one of the Vice-Presidents or in the absence of both a Chairman to be elected by the Members' representatives present and entitled to vote shall preside. In case of equality of votes the Chairman shall have a second or casting vote.
- (2) Unless a poll be demanded by representatives of at least two (2) Members a declaration by the Chairman that a resolution has been carried or lost on a show of hands shall be conclusive. If a poll is so demanded it shall be taken in such a manner as the Chairman shall direct.
- (3) The minutes of all resolutions and proceedings of General Meetings shall be entered in a book kept for that purpose by the Secretary.

23.

- (a) All members shall be entitled to be present at all General Meetings and shall have the right to address or to vote according to Clause 8.4.
- (b) On a show of hands or on a poll every representative of a Member present in person or by proxy shall have one vote on behalf of each Member he or she represents.

24. Where it is desired to afford a representative of a Member an opportunity of voting for or against a resolution for which a vote of the Member is required the Member's representative may appoint another Member's representative of the Chairman of the meeting as that representative's proxy for that purpose and the instrument appointing a proxy shall be in the form or a form as near thereto as circumstances admit contained in the Schedule 1 hereto or as amended by the Council from time to time

25. An instrument appointing a proxy shall confer authority on the appointee to demand or join in demanding a poll.

26. 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 of that

authority shall be deposited at the Office, not less than forty eight (48) hours before the time for holding the meeting or adjourned meeting to which the appointment relates or, in the case of a poll not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

27. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the revocation of the instrument or of the authority under which the instrument was executed, if no intimation in writing of such revocation as aforesaid has been received by the Association at the Office before the commencement of the meeting or adjourned meeting at which the instrument is used.
28. Four (4) persons who are representatives of Non Defaulting Members or such number of persons who are representatives of not less than ten per centum (10%) of Non Defaulting Members at the time whichever is the greater shall form a quorum for all General Meetings of the Association.
29. This Constitution shall not be altered, added to or rescinded except by resolution of the Annual General Meeting or a Special General meeting or a Special General Meeting called for that purpose, fourteen (14) days notice of such proposed alteration having first been given to all members and which is approved by seventy five per centum (75%) of the representatives of Non Defaulting Members present in person or by proxy and entitled to vote at such meeting.

THE COUNCIL

30. The Council control of the affairs of the Association will be vested in a Council constituted and elected pursuant to the following:

- (1) Council Structure

The Council will consist of no less than three (3) Councillors comprising:

- (a) By the representatives of the Large Scale Members

Either

- (b) A representative of a Small Scale, Associate or Individual Member

Or

- (c) 1 elected from and by the Individual Members
- (d) 1 elected from and by the 'Small Scale' Members.

The number of the Councilors may be change from time to time however, Councilors elected from representatives of Large Scale Members must always out numbers all other Councilors elected from representatives of other Member categories.

(2) Elections

Elections shall occur every two years at the Annual General Meeting upon the result of a ballot in the manner set out in subparagraph (5) and (6).

(3) Retirement of Councilors at Annual General Meeting

At every Annual General meeting, ONE HALF (1/2) of the Councilors referred to in subparagraph 1(a) and (b) and the Councilor referred to in subparagraph 1(a) and 1(c) will retire from office.

(4) Determination of Retirement of Councilors

The Councilors referred to in subparagraph 1(a) and (b) who are to retire under subparagraph (3) at an Annual General Meeting are those who have been longest in office since their last election.

(5) Nominations

- (a) Any Member, by its representative may nominate its representative or the representative of any other Member to fill a position on the Council reserved under subparagraph (1)(a).
- (b) Any Associate Member, by its representative may nominate its representative or the representative of any other Associate Member to fill a position on the Council reserved under subparagraph (1)(b).
- (c) Any Small Scale Member by its representative may nominate its representative or the representative of any other Small Scale Member to fill a position on the Council reserved under sub-paragraph (1) (d).
- (d) Any Individual Member may nominate him or herself or any other Individual member to fill the position on the Council reserved under subparagraph (1) (c).
- (e) Nominations for the Council shall be lodged in writing with the Secretary (together with the nominees signed consent to such nomination) between the period beginning on 1 January and ending on 28 February in any year.
- (f) If the Secretary receives nominations for not more than the number of each category of Councilors referred to at subparagraphs (1)(a) to (c) who are due to retire at the next Annual General Meeting then the person or persons so nominated shall be deemed to be elected to the

Council to hold office, subject to this Constitution.

(g) If the Secretary receives nominations for more than the number of each category of Councillor referred to at subparagraph (1)(a) to (c) who are due to retire at the next Annual General Meeting, then the Secretary shall when forwarding to members notices of the Annual General Meeting include a separate ballot paper listing:

- (1) The names of such nominees in alphabetical order;
- (2) The category for which they are nominated;
- (3) The number of Councilors to be elected for each category.

(6) Voting by Ballot

- (a) A member shall only be entitled to vote for that category of Councillor to which the member belongs.
- (b) A member intending to vote in such ballot shall vote (subject to this Constitution) either by its Representative or personally, whichever the case may be, on the ballot paper in numerical order of preference.
- (c) A ballot paper must be completed by numbering thereon in preferred ascending sequence (commencing with the number 1) each of the nominees and the duly completed ballot paper must be returned to the Secretary not less than TWO (2) business days prior to the relevant Annual General Meeting. A ballot paper showing a faulty or incomplete sequence or not returned in the time specified above will not be completed.
- (d) The numbers respectively allocated to each category of nominee on the ballot paper shall be added.
- (e) The nominees for the positions on the Council referred to at subparagraph (1)(a) which receive the first, second, third, fourth and fifth lowest total number pursuant to subparagraph (6)(d) shall be deemed to be elected to the Council subject to this Constitution.
- (f) Of the nominees for the position on the Council referred to at subparagraph (1)(b) and (c), the nominee who receives the lowest total number, pursuant to subparagraph (6)(d) shall be deemed to be elected to the Council subject to this Constitution.

(7) Notwithstanding any failure or delay in the appointment of a replacement Councillor to fill a casual vacancy, the Council may

continue to meet and its decision shall, if made at a duly convened meeting with an appropriate quorum bind the Association.

- (8) A Councillor who is due to retire or is retiring may be nominated for and is eligible to be re-elected to that office.
- (9) This clause shall be subject to clause 32.

CASUAL VACANCIES

- 31. Any casual vacancy in the position of a Councillor shall be filled by a person nominated by the remaining Councilors from the representatives of Members or of Associate Members or from Individual Members (as the case may respectively require) and shall hold office for the balance of the term of the Councillor whose position has become vacant.

CONTINUATION OF COUNCILLORS

- 32. If no nominations for membership of the Council are received for the purposes of an election under Clause 30 the Councilors then in office shall continue in office until the next Annual General Meeting of the Association while they otherwise continue to be qualified.
- 33. If fewer nominations are received than the number of vacancies to be filled the persons nominated shall, if duly qualified, be declared to have been elected and the remainder of the vacancies shall be filled by persons selected by the Councilors so elected but so that the composition of the Council between representatives of Members, representatives of Associate Members and Individual Members as set out in Clause 30 is maintained.
- 34. Any Councillor who without the prior leave of the Council is absent from three (3) consecutive meetings of the Council shall thereupon forfeit his or her membership of the Council but shall be eligible for re-election at the next Annual General Meeting of the Association.
- 35. No paid officer of the Association shall be eligible for election to the Council or shall have the right to vote at any meeting thereof.
- 36. The continuing Councilors may act notwithstanding any vacancy in their body but if the number falls below seven (7) the Councilors shall not act except in emergencies or for the purpose of filling the vacancies so long as the number is below the minimum. The continuing Councilors shall use their best endeavors to fill any vacancy in their number as soon as possible after such vacancy occurs.
- 37. The Association may by a resolution of an Annual General Meeting or Special General Meeting passed by a majority of not less than seventy five per centum (75%) of the Members by their representatives as being entitled so to do voting in person or by proxy remove any Councillor before the expiration of his or her period of office and may by ordinary resolution appoint another qualified person from the

representatives of Members or of Associate Members or from Individual Members (as the case may require) to hold office for the balance of the term of the Councillor whose position has become vacant.

PROCEEDINGS OF THE COUNCIL

38. The Councilors may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit and a meeting of the Councilors may also be by teleconferencing or video conferencing where each participant is able to hear the other participants and speak to all the other participants contemporaneously and the minutes of such meeting are approved in writing by all participants.
39. A minimum of Two (2) Councilors, one of which must be a representative of a Large Scale Member, shall be a quorum for any meeting of the Council. If there are more councilors present, a minimum of 50% must be representatives of Large Scale Members for there still to be a Quorum.
40. At any time the Secretary shall, upon the request of not less than three (2) Councilors, convene a meeting of the Council. At least seven (7) days' notice shall be given to all Councilors of any meeting so convened.
41. Questions arising at any meeting of the Council shall be decided by a simple majority of votes of those Councilors present and in the case of an equality of votes the Chairman shall have a second or casting vote but subject thereto a Councillor who is a representative of more than one Member shall not exercise more than one vote on any resolution of the Council.
42. At the first meeting of the Council after each Annual General Meeting of the Association the Councilors shall elect from amongst the representatives of Members a President, one (1) Vice-Presidents, a Treasurer, and a Secretary of the Association and while continuing as a representative of a Member shall hold such office until the conclusion of the next Annual General meeting of the Association. The President so elected shall be the Chairman of the Council and in the President's absence either of the Vice-Presidents shall so act. If at any meeting the President or the Vice-President's as above mentioned are not present at the time appointed for holding the same the Councilors present shall choose one of their number to be Chairman at such meeting. If any vacancy occurs in the office of the President or Vice-Presidents the Council may as often as may be necessary elect one of the other Councilors to the vacancy but so that the person so elected shall hold office only so long as the Councillor whose place he or she so takes would have continued in office as President or Vice-President as the case may be.
43. A meeting of the Councilors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under this Constitution or for the time being vested in or exercisable by Councilors generally.

44. The Councilors may delegate any of their powers to Committees consisting of such Councillor or Councilors as they think fit and may from time to time revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Council. The meetings and proceedings of any such Committee consisting of two (2) or more members shall be governed by the provisions herein contained for regulating the meetings and the proceedings of the Council insofar as the same are applicable to and are not superseded by any regulation made by the Council under this Clause. A Committee may with the approval of the Council appoint any other person from amongst the representatives of Members or of Associate Members or from Individual Members to any such Committee.
45. The Secretary or Treasurer of the Association may delegate any of his powers, duties or responsibilities to such other Councillor or other person as the Council may think fit and from time to time may and at the direction of the Council shall revoke such delegation. Any Councillor or other person to whom any powers, duties or responsibilities are delegated under this Clause shall in the exercise of those powers, duties or responsibilities conform to any regulations or directions that may from time to time be imposed upon that delegate by the Council or the relevant office holder.
46. A resolution in writing signed by all the Councilors shall be as valid and effectual as if passed at a meeting of the Council duly called and constituted. Any such resolution may consist of several documents in like form each signed by one or more Councilors.

47. Secretary

The Secretary shall:

- (a) Co-ordinate the correspondence of the Association;
- (b) Keep full and correct minutes of the proceedings of the Council and of the Association;
- (c) Have custody of all books, documents, records and registers of the Association, including those referred to in paragraph (c), other than those required by Clause 48 to be kept and maintained by, or in the custody of, the Treasurer; and
- (d) Perform such other duties as are imposed by this Constitution on the Secretary.

48. Treasurer

The Treasurer shall

- (a) Be responsible for the receipt of all moneys paid to or received by, or by him on behalf of, the Association and shall issue receipts for those moneys in the name of the Association;
- (b) Pay all moneys referred to in paragraph (a) into such accounts of the Association as the Council may from time to time direct;
- (c) Make payments from the funds of the Association with the authority of the Council;
- (d) Comply on behalf of the Association with regulation 3 of the Societies Rules in respect of the accounting records of the Association and regulation 16 of the Societies Rules in respect of filing of annual returns;
- (e) Whenever directed to do so by the Chairman, submit to the Council a report, balance sheet or financial statement in accordance with the direction;
- (f) Have custody of all securities, books and documents of a financial nature and accounting records of the Association, including those referred to in paragraphs (d) and (e); and
- (g) Perform such other duties as are imposed by this Constitution on the Treasurer.

49. Secretary / Treasurer

If the Council so decided it may appoint the same person to hold the offices of Treasurer and Secretary concurrently.

POWERS AND DUTIES OF THE COUNCIL

- 50. The Council shall have the power from time to time to:
 - (a) Make such by-laws, rules or regulations not inconsistent with this Constitution as, in the opinion of the Council, are necessary or desirable for the proper control, administration and management of the Association's finances, affairs, interests, effects and property and for the convenience, comfort and well-being of the members of the Association and to amend or rescind from time to time any such by-laws, rules or regulations; and
 - (b) Exercise any of the powers of the Association.
- 51. The Council shall cause minutes to be recorded in a book provided for that purpose of:
 - (a) All appointments of officers made by the Council;
 - (b) The names of the Councilors and others present at each meeting of the Council and of any Committee of the Council; and

- (c) All resolutions and proceedings at all meetings of the Association and of the Council and of Committees of the Council.
52. All acts done by any meeting of the Council or of a Committee of the Council or by any person acting as a Councillor shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of such Councillor or persons 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 Councillor.

PECUNIARY INTERESTS 53.

- (1) A Councillor or a Member or an Associate Member represented by a Councillor who has a direct or indirect pecuniary interest in a contract or proposed contract made by or in the contemplation of the Council shall, as soon as he or she becomes aware of that interest, disclose the nature and extent of that interest to the Council PROVIDED THAT this requirement shall not apply in respect of a pecuniary interest that exists only by virtue of the fact:
 - (d) That a Councillor is an employee of the Association; or
 - (e) That the Councillor or the Member or Associate Member represented by a Councillor is a member of a class or persons for whose benefit the Association is established.
 - (2) Where a Councillor or a Member or an Associate Member represented by a Councillor is aware of any direct or indirect pecuniary interest in a contract or a proposed contract made by or in the contemplation of the Council that Councillor or the Councillor representing that Member or Associate Member (as the case may be) shall not take part in the deliberations or decisions of the Council with respect to that contract PROVIDED THAT this requirement shall not apply in respect of a pecuniary interest that exists only by virtue of the fact that the Councillor or the Member or Associate Member represented by a Councillor is a member of a class of persons for whose benefit the Association is established.
 - (3) Where a Councillor or a Member or a Associate Member represented by a Councillor is aware of any direct or indirect pecuniary interest in a matter, other than a contract or proposed contract, which is before the Council or a General Meeting for discussion, the Councillor or the Councillor representing that Member or Associate Member (as the case may be) shall not vote on the matter.
54. The office of Councillor shall be vacated if the Councillor:
- (a) Holds any office of profit under the Association;
 - (b) Becomes bankrupt;

- (c) Becomes prohibited from being a Councillor by reason of any order made by the Registrar of Societies (and any statutory enactment amending or replacing the same);
- (d) Becomes unsound of mind or is otherwise incapable of discharging his or her duties;
- (e) Resigns as a Councillor by notice in writing to the Secretary;
- (f) The Company or partnership of which he or she is the representative ceases to be a financial Member or financial Associate Member; or
- (g) Being an Individual Member ceases to be a financial Individual Member.

SEAL

55. The Seal shall not be affixed to any deed instrument or document except by the authority of a resolution of the Council and in the presence of a Councillor and of the Secretary or such other person that the Council may appoint for the purpose and that Councillor and the Secretary or other person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence. The Seal shall be kept in the custody of the Secretary or of such other person as the Council shall from time to time decide.

EXECUTION OF DEEDS AND DOCUMENTS

56.

- (1) All deeds instruments and documents executed on behalf of the Association may so far as the same are within the powers and authority of the Council be in such form and contain such powers, provisos, conditions, covenants, clauses and agreements as the Council shall think fit.
- (2) All bills of exchange, promissory notes or other negotiable instruments shall be accepted, made, drawn or endorsed for and on behalf of the Association and all cheques or orders for payment shall be signed for and on behalf of the Association by such persons as may be appointed by the Council.
- (3) Cheques or other negotiable instruments paid to the Association's bankers for collection and requiring the endorsement of the Association shall be paid to such bankers or others as the Council shall from time to time in

writing or by resolution of the Council appoint for that purpose and such receipt shall be an effectual discharge for the money therein stated to be received.

ACCOUNTS

57.

- (1) The Council shall cause proper accounts to be kept with respect to:
 - (a) All sums of money received and expended by the Association and the matter in respect of which the receipt and expenditure takes place;
 - (b) All sales and purchases of goods by the Association; and
 - (c) The assets and liabilities of the Association.
- (2) The accounts shall be kept at the Office or at such other place or places as the Council thinks fit.

58. This Constitution and all records, deeds, documents, minute books, register of members, record of office holders, accounts and books of the Association shall be open to the inspection of members and Councilors at the Office at all reasonable times PROVIDED THAT this Clause shall not authorise the removal of any documents or records from the Office. Any member making such inspection shall keep confidential any information disclosed therein.

59. The Council shall once in every year cause to be prepared a balance sheet as at the end of the financial year of the Association and an income and expenditure account which shall together with the report of the Council and the Auditor's report be laid before the Annual General Meeting of the Association.

60. A copy of every balance sheet (including every document require by law to be annexed or attached thereto) which is to be laid before the Association in General Meeting shall not less than fourteen (14) days before the date of the meeting be sent to all members entitled to receive notice of General Meetings of the Association.

AUDIT 61.

- (1) An Auditor shall be appointed by the Annual General Meeting of the Association and the Auditor's duties regulated by the Council or in accordance with the relevant statutes for the time being in force in Lusaka, Zambia.
- (2) Once at least in each financial year of the Association the accounts of the Association shall be examined and the correctness of the balance sheet certified by the Auditor.

NOTICES

62.

- (1) A Notice may be given by the Association to any member or Councillor by personal delivery or by electronic mail or by sending it by post to the address of the member or Councillor appearing in the register of members kept and maintained by the Association provided that in the case of notice by electronic mail such notice shall only be valid upon confirmation of receipt by return electronic mail of the recipient.
- (2) Where a Notice is sent by post, service of the Notice shall be deemed to be effected by properly addressing, prepaying and posting the Notice and shall be deemed to have been effected in the case of a Notice convening a meeting on the second day following that on which the same shall have been posted and in any other case at the time at which the Notice would have been delivered in the ordinary course of post. If a member or Councillor has no registered address within Lusaka, Zambia and has not supplied to the Association an address within the said State for the giving of Notices to it a Notice posted up in the Office or such other place as the Council thinks fit shall be deemed to be duly served on such member at the expiration of forty eight (48) hours after it is so posted up. A notice served on a representative of a Member or on a representative of an Associate Member shall be deemed to be duly served on that Member or Associate Member (as the case may be).

LIABILITY OF MEMBERS, COUNCILLORS AND SERVANTS

63. Every Councillor, Manager, Auditor, Secretary and other officer or servant of the Association shall be indemnified by the Association against, and it shall be the duty of the Council out of the funds of the Association to pay, all costs, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him or her as such officer or servant or in any way in the discharge of his duties including travel expenses.
64. No Councillor, officer or Auditor of the Association shall be liable for the acts, receipts, negligence or defaults of any other Councillor or officer or for joining in any receipt or act for conformity or for any loss or expensive happening to the Association through the insufficiency or deficiency to title of any property acquired by order of the Councilors for or on behalf of the Association or for the insufficiency or deficiency of any security in or upon which any of the monies of the Association shall be vested or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person with whom any monies, securities or effects shall be deposited or any loss occasioned by any error of judgement, omission, default, or oversight on his or her part or any other loss, damage or misfortune whatever which may happen in the execution of the duties of such office or in relation thereto unless the same happened through his or her own willful act, neglect, default, or dishonesty.

WINDING UP OR DISSOLUTION

65. The Association may be dissolved by a resolution carried by no less than seventy five per centum (75%) of the Members at a Special General Meeting called for that purpose. The Council shall advise the Registrar of Societies in writing of any dissolution of the Association. The Member shall also determine the distribution of the property of the Association at such meeting.

GOVERNING LAW

66. The law governing this Constitution shall be that for the time being in force in the Republic of Zambia.

SCHEDULE 1

ASSOCIATION OF ZAMBIAN MINERAL EXPLORATION COMPANIES

I, _____

Of _____

Being a representative of _____ A

Member of the above named Association, hereby appoint

Of _____ Or

failing him, the Chairman of the meeting as my proxy to vote for me on my behalf at the
(Annual or Special, as the case may be) General Meeting of the Association, to be held on
the ____ day of _____ 20____, and at any adjournment thereof in the manner indicated
below or, in the absence of indication, as he thinks fit.

Signed this _____ day of _____ 20____

Signature