

INFORMATION  
**MEMORANDUM**  
TO SHAREHOLDERS

2018



# STATEMENT TO SHAREHOLDERS OF UNITED INVESTMENTS LIMITED

## **IF YOU ARE A SHAREHOLDER OF UIL, THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in doubt about the action you should take or about the content of this document, you should consult your financial advisor, your investment dealer or any independent advisor immediately, who may advise you accordingly.

This document should be read in its entirety for a full appreciation of its contents. This document is intended only for the use by the person to whom it is addressed and is not to be redistributed, reproduced or used, in whole or in part, for any purpose.



# TABLE OF CONTENTS

1	PROPOSED RESTRUCTURING	<u>4</u>
2	STRUCTURES AND SHAREHOLDING	<u>6</u>
3	TIMETABLE	<u>7</u>
4	CORPORATE INFORMATION ON AXYS	<u>8</u>
5	CORPORATE INFORMATION ON OXIA	<u>11</u>
6	INFORMATION ON DIRECTORS	<u>15</u>
7	CORPORATE DIRECTORY	<u>17</u>
8	FINANCIAL INFORMATION	<u>18</u>
9	RISK FACTORS	<u>20</u>
10	SHARE CAPITAL	<u>22</u>
11	ADDITIONAL INFORMATION	<u>23</u>
	APPENDIX I – EXTRACTS OF THE CONSTITUTION	<u>24</u>

# GLOSSARY OF TERMS

<b>'Act'</b>	The Companies Act No. 15 of 2001 as amended from time to time
<b>'Auditors'</b>	EY being the auditors of UIL
<b>'AXYS'</b>	AXYS Ltd
<b>'Board'</b>	Board of Directors
<b>'Business day'</b>	Any day (except Saturday, Sunday and gazetted public holidays) on which banks are open for non-automated business in Mauritius
<b>'CDS'</b>	the Central Depository & Settlement Co Ltd
<b>'Company'</b>	AXYS Ltd or OXIA Ltd, as the context requires
<b>Company Secretary'</b>	FWM Secretarial Services Limited
<b>'Court'</b>	Supreme Court of Mauritius
<b>'DEM'</b>	Development & Enterprise Market of the SEM
<b>'Director'</b>	The person appointed for the time being as the director of the Company
<b>'EGM'</b>	Extraordinary General Meeting
<b>'FSC'</b>	Financial Services Commission
<b>'Information Memorandum' OR 'DOCUMENT'</b>	This information memorandum
<b>'M'</b>	Million
<b>'Mauritius'</b>	The Republic of Mauritius
<b>'MUR or Rs'</b>	The lawful currency of Mauritius
<b>'OXIA'</b>	OXIA Ltd
<b>'PAT'</b>	Profit After Tax
<b>'PBT'</b>	Profit Before Tax
<b>'SHARES'</b>	The Ordinary Shares of no par value in the capital of the Company
<b>'UIL'</b>	United Investments Ltd

# 1. PROPOSED RESTRUCTURING

United Investments Ltd (“UIL”) is a public company incorporated in Mauritius and listed on the Development and Enterprise Market (“DEM”) of the Stock Exchange of Mauritius Ltd (“SEM”).

UIL has transferred its investments, assets and liabilities (except for the quoted bonds of Rs425M which will be transferred to AXYS following approval of bondholders) into two fully owned subsidiaries, AXYS and OXIA holding the financial services and non-financial clusters of the group, respectively. An application will be made to the Court seeking the sanction of the Scheme of Arrangement (the “Application”) whereupon on a future date to be applied for and ordered by the Court (the “Effective Date”), the shares held by the shareholders of UIL will be exchanged for shares of AXYS and OXIA on the basis of an exchange ratio of

- a) 0.64:1 for AXYS; i.e. 0.64 share of UIL will be exchanged for 1 share of AXYS, and;
- b) 0.36:1 for OXIA, i.e. 0.36 share of UIL will be exchanged for 1 share of OXIA.

The exchange ratio has been determined from the independent valuation of AXYS and OXIA as at July 2017. The end result will be that shareholders of UIL would each hold shares in each of AXYS and OXIA in the same number and proportion as held by them in UIL. UIL will become a subsidiary of AXYS and OXIA, with no assets and liabilities, and will no longer meet one of the requirements of the DEM Listing Rules; having 10% of its shares in public hands and a minimum of 100 shareholders as stipulated in DEM rule 1.1(iii). Accordingly, an application will be made to the SEM to suspend dealings in the shares of UIL pursuant to DEM rule 37A(iii), in anticipation of the consequential withdrawal of UIL from the DEM on the Effective Date. It is the intention that AXYS and OXIA will then be listed on the Official Market of the SEM and on the DEM, respectively. The SEM has acknowledged the intention to list both entities and final listing applications will be submitted on receipt of the sanction of the Scheme by the Court. Should the application to the Court to sanction the Scheme be declined, UIL will remain listed on the DEM.

The UIL shareholder holding one share in UIL prior to the restructuring would hold one share in AXYS, the company holding the investments in the financial services segment, as well as one share in OXIA, the company holding the investments in the non-financial services segment, after the restructuring.

The aim of the restructuring is to provide greater liquidity to shareholders, provide improved visibility on the performance of each cluster, and unlock shareholder value.

Prior to filing the application to Court for the Scheme, UIL’s bondholders will be requested to vote in favour of redeeming in kind the current bonds in UIL such that the holders will hold the same number of bonds in AXYS and cease to be a bondholder in UIL. The terms and conditions of the bonds will remain the same as well as its current maturity date. Once the approval of UIL’s bondholders is received, the equivalent bonds in AXYS will be issued within 4 working days from the approval.

Therefore, an extraordinary general meeting of shareholders and a special meeting of bondholders will now be called on 12 November 2018 and 19 November 2018 respectively and upon the required approvals being received, the final application will be submitted to court. The effective date of the Scheme, which is dependent upon the filing of the Application to the Court and the order of the Court, will be communicated to the shareholders in due course. Shares of UIL will be suspended from trading as from the second Business Day of the Court Order sanctioning the Scheme until the Effective Date of the Scheme; and the CDS accounts of the shareholders will be updated with the shares of AXYS and OXIA instead of UIL on the Effective Date of the Scheme.

The Board of AXYS and OXIA have approved, subject to the Scheme being sanctioned by the Court, the application for the admission of all Ordinary Shares of AXYS on the Official Market of the SEM by way of an introduction at the price of Rs7.22 per Ordinary Share, and all the Ordinary Shares of OXIA on the DEM by way of an introduction at the price of Rs4.02 per Ordinary Share, which is considered to be fair and reasonable, based on the pro-forma NAV of AXYS and OXIA. The pro-forma NAV was prepared by management and validated by BDO, the independent valuer. The valuation report is available for inspection as per Clause 11 of this document. For information, the share price of UIL on 18 October 2018 was Rs9.22.

It is intended that the shares of AXYS and OXIA will be freely floated and traded on the first day of trading on the SEM, which shall take place on the Effective Date of the Scheme, and subject to the approval of the SEM.

It is proposed that to the extent that the approval of the SEM is granted, on the first day of admission to listing and trading on the Official Market, 1,000 shares of AXYS and OXIA will be made available for trading at an indicative price of Rs7.22 per share and Rs4.02 per share respectively.

### **Rationale for prospective listing of AXYS and OXIA**

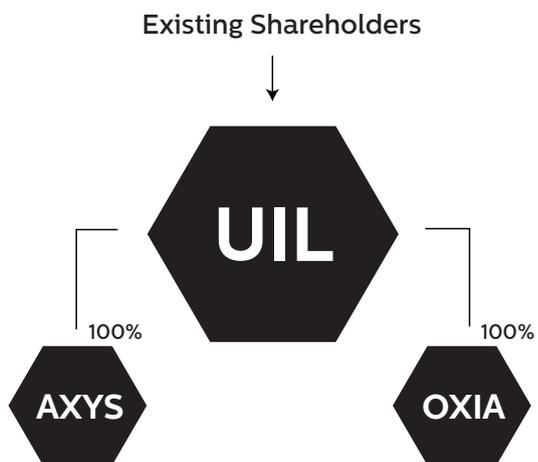
Since the shares in UIL are currently listed on the DEM, the directors wish that the shareholders continue to hold shares listed on a securities exchange following the restructuring. In addition, the proposed listing of shares of AXYS on the Official Market of the SEM and the shares of OXIA on the DEM will benefit shareholders through:

- a) Greater visibility over the respective activities of each cluster;
- b) More focused management on the performance and results of each cluster;
- c) Enabling potential future entry of strategic partners into the respective clusters;
- d) Providing investors greater flexibility in their portfolio investment decisions on exposures to different sectors; and
- e) Increasing liquidity of the shares.

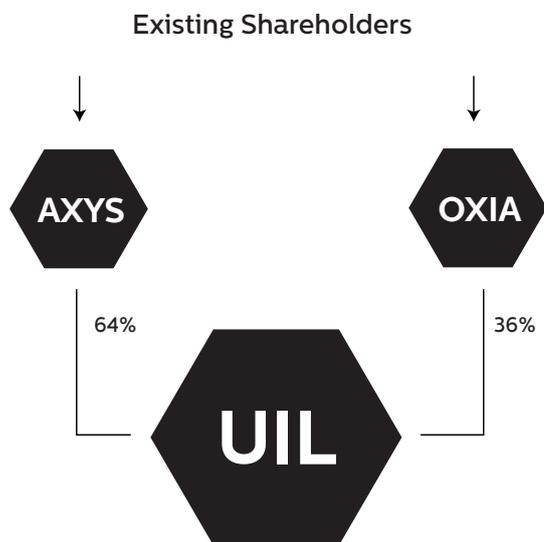
AXYS and OXIA will apply for admission of the shares on the SEM & DEM respectively, once the Court sanctions the Scheme.

## 2. STRUCTURES AND SHAREHOLDING

### BEFORE SCHEME



### AFTER SCHEME



\*UIL will become a shell company with no assets and liabilities

As at 30 September 2018, 100% of the share capital of AXYS & OXIA was held by UIL and the persons holding indirectly more than 5% in AXYS & OXIA as at that date were:

- Terra Mauricia Ltd with 29.03%;
- Firefox Ltd with 20.38%;
- Portfolio Investments and Management Limited with 8.91%;
- Michel Guy Rivalland with 8.77%; and
- Jason Limited with 5.89%

### 3. TIMETABLE

Important events in the restructuring of UIL and prospective listing of **AXYS** and **OXIA**

Date	Events
19 October 2018	The Board of UIL approved the Scheme
19 October 2018	Notice of bondholders' meeting sent to all bondholders
31 October 2018	Notice of EGM sent to all shareholders
12 November 2018	Bondholders' meeting to approve the transfer of bonds to AXYS
12 November 2018	Upon approval of bondholders, trading of bonds will be suspended by close of business
16 November 2018	Redemption of UIL bonds, allocation of AXYS bonds and settlement of accrued interests
19 November 2018	Shareholders EGM to approve the Scheme
20 November 2018	Application submitted to Court for sanctioning the Scheme
The timing of these subsequent steps is subject to the timing of convening the EGM by the Board of UIL and receiving the Court order and will be communicated upon the sanction by the Court of the Scheme.	Court order issued following end of objection period
	Filing of Court Order at the Registrar of Companies
	Communique in the press notifying the share exchange on effective date
	Application to SEM for listing of AXYS and OXIA
	Suspension of UIL from trading
	Effective date of the scheme of arrangement
	Allotment of shares in AXYS and OXIA
	Crediting of CDS accounts with shares of AXYS and OXIA
Despatch of allotment letters and share certificates to shareholder	

## 4. CORPORATE INFORMATION ON AXYS

### Company profile

AXYS was incorporated as a public company in the Republic of Mauritius on 27 January 2016 as “AXYS WEALTH LTD” under Business Registration Number C16135790. Its registered office and place of business are at 6<sup>th</sup> Floor, Dias Pier Building, Caudan, Port Louis and the telephone number is 405-4000.

It changed its name to AXYS Ltd on 7 June 2017. The company is incorporated under the Companies Act 2001.

### Objects of AXYS

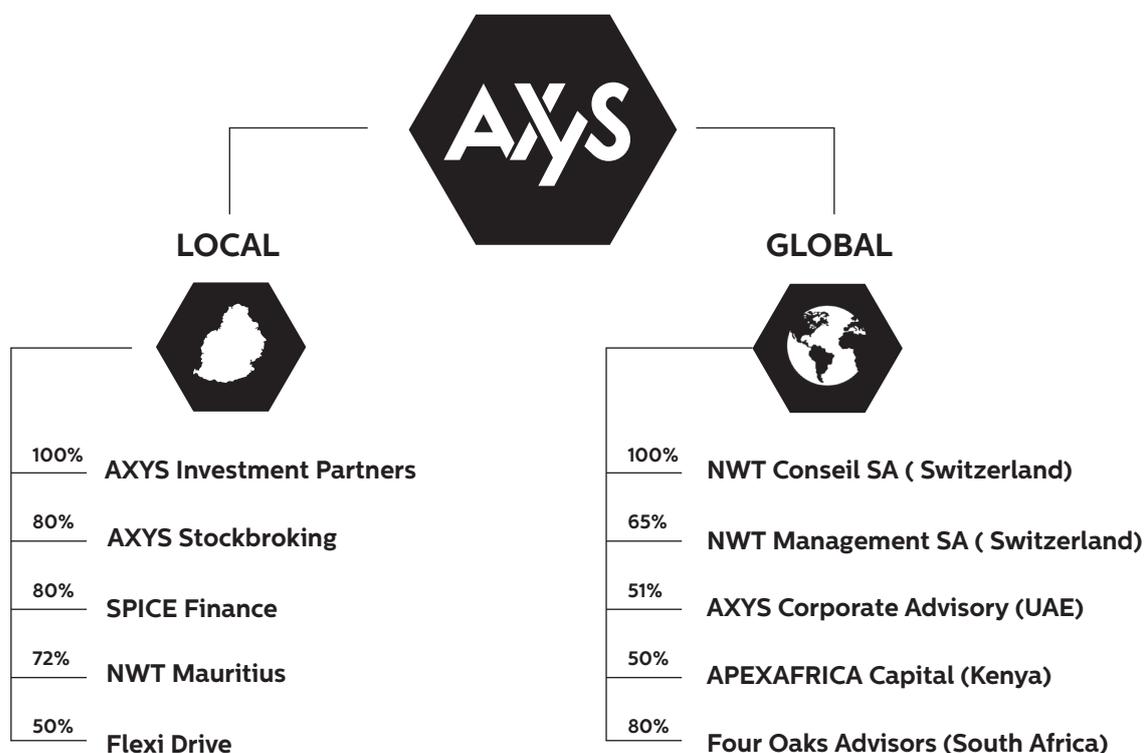
AXYS has, both within and outside the Republic of Mauritius, full capacity to carry out and/or undertake any business or activities, to do any act or enter into any transaction, and, for those purposes, shall have full rights, powers and privileges, as set out in its Constitution.

### Investees of AXYS

To date, AXYS has directly and indirectly invested in the financial services sector in Mauritius and abroad. There are no restrictions affecting the remittance of profits or repatriation of capital into Mauritius impacting the subsidiaries of AXYS in the countries in which they operate. The activities of AXYS include:

- Leasing
- Stockbroking
- Fiduciary/Trust Services
- Corporate Advisory
- Asset Managers
- Fleet Management
- Banking project

As at date of this document more than 50% of the assets (operating entities) are to be found outside Mauritius.



This includes APEXAFRICA Capital Limited (Kenya), AXYS Corporate Advisory (Dubai), NWT Management SA and NWT Conseil SA (Geneva).



### **Leasing**

SPICE Finance Ltd, formerly known as AXYS Leasing (incorporated in Mauritius) evolved from the purchase of Capital Leasing in 2003 and further consolidated its market position through the acquisition of Mauritius Union Assurance Leasing in 2006. Capital Leasing has been rebranded to AXYS Leasing in 2010 and then to SPICE Finance recently. The latter company is currently the second largest operator on the local market, with around 4,500 leases in its books.

### **Stockbroking**

In 2004, AXYS Group purchased Compagnie des Agents de Change Ltee (CAC) (incorporated in Mauritius) which has a 'stockbroking' licence and is a member of the SEM and Central Depository & Settlement Ltd. This investee has developed over the years to become a leading stockbroking company on the island. It was rebranded to AXYS Stockbroking in 2010 and continues to perform well.

In mid-2015, UIL expanded its footprint into Africa through the purchase of ApexAfrica Capital, a stockbroker in Kenya with a strong high net worth client base, with the view of developing into a diversified financial services business in the country. ApexAfrica Capital has around 40,000 CDS accounts with assets under administration of Kshs 29Bn (MUR10.15Bn). The group has currently implemented a restructuring plan in ApexAfrica, which includes new offices, a research desk and client relationship management.

### **Fiduciary/Trust services**

AXYS purchased its first Swiss-based fiduciary business in 2012, known as New World Trust ("NWT"). In 2013, AXYS expanded its presence in Geneva through the acquisition of Caversham S.A, another well-established fiduciary business. AXYS successfully combined the 2 trust companies operating in Switzerland in 2015, into a single entity which now trades as NWT Management SA. In addition, AXYS purchased Credit Agricole's Trust Company, in mid-2015, which gave it access to a premium list of clients as well as diversifying AXYS's geographic risk. Consequently, AXYS rebranded the entity to NWT Conseil SA, and AXYS's assets under administration have increased to over US\$ 13 billion. In 2016, The fiduciary business in Switzerland improved its performance as a result of synergies achieved by operating from a single site and is expected to continue making significant contributions to AXYS's bottom-line in the years to come. Together with NWT Mauritius, the NWT brand is now a recognised global player in fiduciary services. In late 2016, AXYS further acquired the Frontiere Finance Group, a major player in the fiduciary business, based on Mauritius with niche client base from South Africa. In line with our expansion plan, we expect to derive further synergies and cost saving, through merging of NWT Mauritius and Frontiere Finance which will enhance the bottom-line of this segment.

### **AXYS Corporate Advisory**

AXYS partnered with a team of M&A specialists with more than 30 years of experience, to build AXYS Corporate Advisory in the third quarter of 2015. This investee is based in both Dubai and Mauritius and is actively involved in Corporate Advisory and Mergers & Acquisitions in Africa whilst using Mauritius as a structuring jurisdiction. The team has been actively building on a pipeline of potential deals over the last year to set up a solid client base and is starting to build momentum in the corporate finance world. The team has recently closed a capital raising of USD132M together with a listing on the London Stock Exchange for GRIT. The business has secured some deals while its pipeline continues to grow. This is contributing to the development of our presence in Africa.

### **Asset Managers**

With the opening of offices in Kenya and Dubai, the AXYS brand is continuing to expand its footprint on the African continent so as to better serve its growing customer base. The company has set up AXYS Investment Partners Ltd (AIP) in 2013, an asset manager, with a team having a combined experience of more than 25 years. Furthermore, AIP set up Four Oaks Advisors in late 2014, which operates an African Credit Fund, investing in the sub-Saharan region. AIP is further extending its presence in Africa and has applied, through one of subsidiaries, for an Asset Management licence in Kenya.

### **Fleet Management**

Flexidrive has been incorporated in Mauritius to pursue fleet management and is a joint venture between AXYS and Leal & co. Ltd. Flexidrive offers full maintenance lease concept with a customer base consisting mainly of SME's and individuals.

### **Banking project**

AXYS has applied for a "private banking" licence through a newly incorporated subsidiary.

## 5. CORPORATE INFORMATION ON OXIA

### Company profile

OXIA was incorporated as a private company in the Republic of Mauritius on 15 March 2016 under Business Registration Number C16137010. The Company was converted to a public company on 5 July 2017. Its registered office and place of business are at 6<sup>th</sup> Floor, Dias Pier Building, Caudan, Port Louis and the telephone number is 405-4000.

The company was incorporated under the name of United Trawlers Ltd, changed its name to United Investments BIS Ltd on 28 June 2017 and underwent a further change of name on 11 July 2017 to OXIA Ltd. The company is incorporated under the Companies Act 2001

### Objects of OXIA

OXIA has, both within and outside the Republic of Mauritius, full capacity to carry out and/or undertake any business or activities, to do any act or enter into any transaction, and, for those purposes, shall have full rights, powers and privileges, as set out in its constitution (article 7).



### OXIA HOSPITALITY

#### Hotel Management

UIL acquired a 22% stake in Attitude Hospitality Limited (AHL) in 2010, known at that time as Attitude Resorts Ltd, before it increased its stake significantly to 40% in 2012. In 2010, AHL was only managing 2 hotels on the island and seeking a strategic partner. UIL was instrumental with regards to their rapid growth. AHL, operating in the 3-4 stars segment, has extended both its network and market presence in Mauritius to reach a room capacity of 1,080 rooms (with 9 hotels), positioning the hotel group as the second largest hotel operator in Mauritius.

AHL has completed three major transactions in 2015, namely: (1) the sale of three of its hotels to Attitude Property Limited, a company recently listed on the Stock Exchange of Mauritius and in which AHL retains a majority 49% stake, (2) the purchase and opening of The Ravenala (ex-La Plantation Hotel) in October 2015 with the objective of positioning the hotel as a leading 4 star hotel in the country, and (3) rebranding and refurbishment of Blumarine to Sensimar Lagoon, Sensimar being TUI's high end brand and whereby TUI guarantees a minimum occupancy at a minimum guaranteed room rates for the next 3 years. Sensimar opened successfully on 15 October 2016.

#### Property

AHL has unbundled part of its hard assets (land & buildings) into Attitude Property Ltd (APL), in 2015, in view of separating the management of the hotels and the properties. APL was successfully listed on the DEM on 21 September 2015, being a 'REIT' replicated structure in Mauritius. The business of APL is to lease its three properties to its anchor tenant, AHL, and distributes its earnings to its investors, with a targeted annualised dividend yield of 6.5% which is inflation-linked and adjusted every three years. APL met its annualised dividend yield for the year ended 30 June 2018 and is on track for the financial year ending 30 June 2019, which will experience an upside due to the revision of the rental income. AHL retains a controlling stake in APL.

## **OXIA AGRO**

Several subsidiaries of the OXIA Group are involved, whether directly or indirectly, in the local agricultural sector. The services offered include, but not limited to, sale of herbicide and pesticide, sale and application of liquid fertilisers, sale of heavy equipment, and preparation of land, de-rocking and mechanical harvesting, coal handling and golf course maintenance. Brands such as JCB, Komatsu, Cummins, Club Car, Bomag, Case and Toro are represented in Mauritius.

### **Sale and application of fertilisers**

The initial investment in fertiliser production dates back to 2003, through Island Fertilizers Ltd (IFL) which was engaged in the blending of solid fertilizers, distribution and application. Through its subsidiary, Island Renewable Fertilizers Ltd (IRFL), IFL group now focuses on the production of liquid fertilisers from Vinasse, a by-product of alcohol production. As at date of writing, IRFL fertilised around 30% of the sugar cane fields on the island. Island Chemicals Ltd (ICL), a wholly owned subsidiary of IFL, imports and distributes agrochemical products such as sprayers, seeds, herbicides, pest control accessories and greenhouses to complement the Agro segment. These two entities are currently working towards a potential merger to create synergies and in view of offering a 'one-stop shop' service on the island.

### **Sale of Heavy Machinery and Equipment**

Mechanization Company Ltd (MECOM) imports, sells and services heavy equipment of renown brands namely CASE tractors and harvesters, JCBs, Gregoir Besson, ATLAS cane loaders, loaders and excavators from JCB to KOMATSU, BOMAG road equipment and handling equipment from KOMATSU & SENNEBOGEN.

### **Harvesting and Coal Handling**

La Moisson Ltee, a subsidiary of Mechanisation Company Ltd ("MECOM"), is a contracting company, engaged in harvesting and cane loading. It currently cuts around 25% of mechanised sugar cane fields in Mauritius, and 100% handling of coal in Mauritius. This company is now focussing on developing new markets including outsourcing some of its business.

### **Hydraulics**

PEX Construction Ltd and Flexicom Company Ltd (also subsidiaries of MECOM) specialises in the supply and repairs of hydraulic components, sales of pneumatic equipment, supply and manufacture of hydraulic hoses and selling and servicing of small equipment for the building industry.

### **Tyres**

Terra Marketing Ltd was incorporated in March 2010 and specialises in the sale of tyres. It represents strong brands such as CAMSO, formerly CAMOPLAST SOLIDEAL, which focuses on off road tyres, LingLong, a top 5-manufacturers in China, MAXXIS which is one of the world's most trusted brands and delivers tyres to 180 countries and the RPG brand, from Sri Lanka, which offers tyres for trucks, light trucks in both cross-Ply and Nylon. Terra Marketing Ltd has a strong customer base with an experienced salesforce.

### **Golf & Turf Equipment, Filters & Turbos**

S.C.E.T.I.A. Group, which is also a subsidiary of MECOM, is involved in the distribution of golf and turf equipment, filtration products for transportation vehicles and heavy-duty machinery and sale and repairs of turbo-chargers. Its main brands are Toro, Club Car, Donaldson, Baldwin, Fleetguard, Borg Warner and Garrett.

## **OXIA TECH**

### **Engineering**

In 2014, UIL acquired a stake in Emineo Holding Ltd, holding company of Emineo Ltd, a company specialised in engineering and project realisation linked to sugar cane processing, ethanol, power generation, public utilities, petroleum and minerals handling & processing. Emineo has grown substantially since its creation in 2007, and now has established a strong reputation and good network within the industry. Their team comprises of 30 qualified engineers, 25 technical support staff, 10 non-technical support staff and up to 250 Mauritian and expatriate staff on contract. The company has extensive knowledge and experience of the African market, and several projects have been successfully completed in the following 17 countries, mainly for the cane industry.



In 2015, De Smet, a world class provider of Engineering, Procurement and Construction services in sugar, edible oil, biofuels and biochemical sectors, purchased a 20% stake in Emineo Ltd. It is expected that synergies will be created from this tie up.

### Information Technology

Megabyte Ltd, subsidiary of Megabyte Investment Ltd, is the leading local system integrator involved in the information and communication sector. It is involved in structured cabling systems, virtual infrastructure, backup and disaster recovery solutions, network solutions and system administration. Megabyte is also a provider of Automated Teller Machines (ATM) solutions, which it has developed over the last 3 years with GRG Banking, a leading provider of currency recognition and cash processing solutions with great potential and rapid development.

- GRG specializes over the last 20 years in the development and manufacturing of: ATMs for financial institutions and retailers;
- Automatic Fare Collection (AFC) systems for railway and subway stations;
- Currency recognition and cash processing equipment modules and systems.

Through Megabyte Investment, UIL acquired Multi Global System Ltd (MGS) & Industrial Coding Solution Ltd (ICS) in 2013. MGS/ICS has been established in the Indian Ocean area with local & export vocation in the Indian Ocean and East Africa since 1999 (For ICS / year 2002) With its experience from the European market during eleven years, MGS/ICS has set itself as a specialist in the industrial inkjet printing, identification and coding solutions, safety metal detector, X-ray detector, labelling and traceability equipment sector in the Indian Ocean (Mascarenes Islands) and East African food industry, pharmaceutical and cosmetics , bottling, metal, construction materials, plastic and rubber industries.

The brands distributed by MGS/ICS have become well-known, during the years, for its simplicity and reliance. Thus, the quality and the care found in the making of industrial inkjet printers are due to certified sites of the brand's production (ISO 9000). MGS/ICS can also offer its clients a personalized service for specific needs in coding & marking systems and packing applications.

### Life Sciences

QuantiLab Ltd (Quantilab) is a multi-disciplinary laboratory able to offer services to various markets, including, but not limited to, food, agro-industries, cosmetic, pharmaceutical and equine jurisdictions. It is the only laboratory to be certified ISO 17025 and ILAC G7 in the region and is the reference laboratory for a number of reputable international racing jurisdictions for equine samples. It officially started its operations in July 2014.

In May 2015, QuantiLab signed a service level agreement with Merieux NutriSciences, an international company with more than 50 years of experiences in the food safety and quality and present in more than 21 countries. As a result of the successful partnership, additional services such as on-site technical consulting and problem solving, auditing services, education services and legionella risk assessments and sampling have been made available by QuantiLab.

More recently, QuantiLab, through a partnership with a laboratory in Reunion Island, has increased its presence on the Reunion Island's market. The level of services offered by QuantiLab as well as its competitive pricing has translated into a significant growth of business generated from Reunion. The management is currently looking at further consolidating QuantiLab's presence on this market in the near future.

#### **Commerce**

Les Gaz Industriels (LGI), company listed on the DEM, manufactures, sells and distributes medical and industrial gases in bulk and in cylinders, as well as welding products. LGI has also built a state of the art Air Separation Unit for the production of liquid oxygen and nitrogen.

LGI's management is currently looking at various local and regional opportunities to consolidate LGI's presence, namely in Madagascar through its wholly owned subsidiary LGI Madagascar. Since the acquisition in LGI in 2011, the latter has been faithful to its profits and usually pays dividends twice a year.

All investee companies are incorporated in Mauritius, and voting rights are in proportion to shareholding.

## 6. INFORMATION ON DIRECTORS

### Directors

AXYS & OXIA are managed by a unitary Board of five members each. All directors have Mauritian nationality. It is proposed that the following current directors Omabhinavsingh Juddoo, Vasanthakogheelam Oomadevi Chetty, Laurent Bourgault Du Coudray & M.J.H.R. Roger Koenig be replaced by Joseph Andre Phillip Jean Juppin De Fondaumiere, Kumar L. Guinness and Pierre Arnaud Marc De Marigny-Lagesse, with effect from the Effective date of the Scheme. And therefore, only the profiles of the remaining and proposed board members have been provided.

None of the Directors have existing or proposed service contracts with AXYS, OXIA or any of their subsidiaries, excluding contracts expiring, or determinable by the employing company without payment of compensation within one year.

Director's name	Position and appointment date	Business address	Age	Other Directorships in listed entities
Jean Didier Merven	Executive (Chairperson) 21 May 2001	6 <sup>th</sup> Floor, Dias Pier Building, Caudan, Port Louis	63 yrs	Novus Properties Ltd
Michel Guy Rivalland	Executive 22 September 2010	6 <sup>th</sup> Floor, Dias Pier Building, Caudan, Port Louis	39 yrs	Attitude Property Ltd, Les Gaz Industriels Ltd
Joseph Andre Phillip Jean Juppin De Fondaumiere	Independent - Prior to effective date of Scheme	Coastal Road, Poste Lafayette	64 yrs	Alteo Ltd; Constance Hotels Services Ltd; Constance La Gaité Ltd; Hotelest Ltd; Lux Island Resorts Ltd
Kumar L. Guinness	Independent - Prior to effective date of Scheme	c/o Unicorn, 18N Frere Felix de Valois, Champs de Mars, Port Louis	68 yrs	
Pierre Arnaud Marc De Marigny-Lagesse	Independent - Prior to effective date of Scheme	c/o Quantum Insurance Ltd, 1 <sup>st</sup> Floor, HSBC Centre, Bank Street, Ebene Business Park, Ebene 72201	55 yrs	Medine Ltd, Excelsior United Development Companies Limited

#### Jean Didier Merven – 63 years old – Executive Chairperson – Appointed 21 May 2001

In 1991, Didier Merven set up Portfolio and Investment Management Ltd ("PIM") - one of the very first professional portfolio management companies in Mauritius. Over the next 20 years, PIM evolved from these beginnings into AXYS, a diversified financial services company. Mr Merven now sits on the UIL board and is still involved in portfolio management for the AXYS's high net worth clients.

Directorship in other listed companies: Novus Properties Ltd;  
Business address: 6<sup>th</sup> floor, Dias Pier Building, Caudan, Port-Louis

#### Michel Guy Rivalland – 39 years old – Executive – Appointed 22 September 2010

Michel Guy Rivalland is a graduate in economics, BSc (Hons), UK. He joined AXYS Group in 1999, became a shareholder and Director in 2002. He was appointed CEO of AXYS in July 2006, and since July 2010, he assumes the role of CEO for UIL.

Directorship in other listed companies: Attitude Property Ltd and Les Gaz Industriels Ltd;  
Business address: 6<sup>th</sup> floor, Dias Pier Building, Caudan, Port-Louis

#### Kumar L. Guinness – 68 years old – Independent – Appointed 2 February 2009

Kumar Guinness qualified as a pharmacist from John Moors University, Liverpool, UK. He has a wide-ranging business experience locally and overseas. He is currently the Managing Director and the largest shareholder of the Unicorn Group of companies as well as being director of other local and overseas companies.

Business address: c/o Unicorn, 18N Frere Felix de Valois, Champ de Mars, Port-Louis

### **Pierre Arnaud Marc De Marigny-Lagesse – 54 years old – Independent – Appointed 6 May 2014**

Marc Lagesse currently holds directorship in several companies operating in different sectors of the Mauritian economy. He was until recently the Chief Executive Officer of the Hertshten Group, a Mauritian based holding company with operations in 7 countries across the globe involved in international derivatives markets and property. He was previously the CEO of MCB Capital Markets, part of the MCB Group within which Mr Lagesse spent 15 years. Mr Lagesse has a BSc in Statistics and Economics from University College London and an MBA from the London Business School.

Directorship in other listed companies: Medine Ltd and Excelsior United Development Companies Limited;  
Business address: c/o Quantum Insurance Ltd, 1st Floor, HSBC Centre, Bank Street, Ebene  
Business Park, Ebene 72201

### **Joseph Andre Philip Jean Juppín De Fondaumiere – 64 years old – Independent – Appointed 8 July 2016**

Jean de Fondaumière is a Chartered Accountant of Scotland. He worked in Australia for eleven years and he retired as the CEO of the Swan Group at the end of 2006 after fifteen years with the group. He is a past Chairman of The Stock Exchange of Mauritius and his former directorships include companies operating in the African, Indian Ocean and Asia Pacific regions. Jean currently holds a portfolio of directorships in Mauritius for companies operating in commerce, finance, power generation, sugar and tourism industry.

Directorship in other listed companies: Alteo Ltd, Constance Hotels Services Ltd, Constance La Gaité Company Ltd, Hotelest Ltd and Lux Island Resorts Ltd  
Business address: Coastal Road, Poste Lafayette

None of the Directors have existing or proposed service contracts with the relevant Company or any subsidiary of their subsidiaries, excluding contracts expiring or determinable by the employing company without payment of compensation within one year.

### **Directors Interest**

The directors had indirect interest in AXYS & OXIA as at 30 June 2018 (through their investment in UIL). Had the restructuring already taken place at 30 June 2018, their interests in the AXYS and OXIA respectively would have been as follows:

	<b>Name</b>	<b>Direct interest</b>	<b>Indirect interest</b>
1	Jean Didier MERVEN	-	4.45%
2	Michel Guy RIVALLAND	8.77%	-
3	Pierre Arnaud Marc De MARIGNY-LAGESSE	0.25%	-
4	Joseph Andre Philip Jean Juppín DE FONDAUMIERE	-	-
5	Kumar L. GUNNESS	0.01%	-

### **Directors Remuneration and Benefits**

The aggregate remuneration and benefits granted to the Directors in the financial year ended 30 June 2016 and 30 June 2017 in respect of services provided to AXYS and OXIA amounted to NIL. However, we note that their aggregate remuneration and benefit in UIL for the year ended 30 June 2016 amounted to MUR12,231,277 and for the year ended 30 June 2017 amounted to MUR10,136,780.

The prospective Directors of each of AXYS and OXIA are not materially interested in any contracts or arrangement existing as date with the relevant Company. The directors have not received any commission, discounts, brokerages or other special terms within the 2 years immediately preceding the issue of this Information Memorandum in connection with the issue or sale of any capital of any member of the group.

Save as specified in this document, there are no conflict between any duties to each Company and their private interests.

### **Employees**

AXYS and OXIA have no employees. The personnel are employed by AXYS Treasury Ltd, a fully owned subsidiary of AXYS, with fees charged to AXYS & OXIA, at cost and based on time spent.

## 7. CORPORATE DIRECTORY

Registered Office	6 <sup>th</sup> Floor, Dias Pier Building, Caudan, Port Louis
Secretary	NWT Secretarial Services Ltd 6 <sup>th</sup> Floor, Dias Pier Building, Caudan, Port-Louis
Bankers	Mauritius Commercial Bank Ltd, Sir William Newton Street, Port Louis  SBM Bank (Mauritius) Ltd SBM Tower 1, Queen Elizabeth Avenue II, Port-Louis  ABC Banking Corporation Ltd Duke of Edinburgh Ave, Port Louis
Auditor and Reporting Accountant	Ernst & Young Limited Chartered Accountants 9 <sup>th</sup> Floor, NeXTeracom building, Tower I Cybercity, Ebene
Share Registrar	MCB Registry and Securities Ltd Raymond Lamusse Building, 9-11, Sir William Newton Street, Port Louis
Legal Advisers	BLC Robert & Associates 2 <sup>nd</sup> Floor, The Axis, 26 Bank Street, Cybercity, Ebene

## 8. FINANCIAL INFORMATION

AXYS was incorporated on 27 January 2016 and had no material transaction until the transfer of assets and liabilities. Except for the UIL bonds which is subject to the bondholders' meeting, the relevant assets and liabilities have been transferred from UIL to AXYS in exchange for shares in AXYS.

On a similar note, OXIA was incorporated on 15 March 2016 and had no material transaction until the transfer of assets and liabilities. Except for the investments held in NOVUS Properties Ltd and Les Gaz Industriels Ltd, which are quoted securities and will be transferred off-market as part of the Scheme, the relevant assets and liabilities have been transferred from UIL to OXIA, in exchange for shares in OXIA.

These assets and liabilities were previously owned by UIL, and the performance of the transferred assets and liabilities is included in the UIL financial statements over the last two years ended 30 June 2016 and 30 June 2017.

For illustration purposes, we present the historical financial highlights of AXYS & OXIA for the year ended 30 June 2016 and 30 June 2017 and latest financial for period ended 31 March 2018 as if AXYS & OXIA had been in existence over this period and all the relevant assets and liabilities had already been transferred as at 1 July 2013, under the same accounting policies as those adopted by UIL over this historical period. The sum of AXYS and OXIA financials is equal to those of UIL.

The shareholding of AXYS and OXIA will also be the same as UIL's on following day following the share exchange.

Pro-forma financial highlights of UIL

Rs'000		30 June 2016	30 June 2017	31 March 2018
Total assets		3,365,175	3,576,703	3,603,793
Total liabilities		1,451,176	1,309,720	1,387,209
Shareholders' interests		1,913,999	2,266,983	2,216,584
Turnover		40,268	47,856	47,587
Operating profit		14,749	14,751	11,500
Fair value movements		(53,936)	(78,630)	(4,834)
Net finance costs		(62,482)	(82,191)	(57,119)
Loss Before Tax		(101,669)	(146,070)	(50,453)
Loss After Tax		(105,691)	(147,016)	(50,399)
Loss per share <sup>1</sup>	Rs	(0.70)	(0.72)	(0.25)
Net Asset per hare <sup>1</sup>	Rs	12.64	11.11	10.86

Note 1: As at 30 June 2017, UIL had completed a rights issue of Rs500M and issued 52,631,579 shares and therefore, the number of shares increased from 151,462,163 to 204,093,742.

Note 2: Receivables, from related parties, were impaired and provided for, based on their ability to repay. This concerns mainly the seafood investments and discontinued solid fertilisers operations.

Pro-forma financial highlights of AXYS

Rs'000		30 June 2016	30 June 2017	31 March 2018
Total assets		1,868,478	2,110,334	2,084,211
Total liabilities		602,550	589,933	598,734
Shareholders' interests		1,265,928	1,520,401	1,485,477
Turnover		37,775	46,214	21,692
Operating profit / (loss)		21,292	23,209	(4,585)
Fair value movements		516,926	16,665	-
Net finance costs		(38,559)	(37,016)	(30,339)
Profit / (loss) Before Tax		495,903	2,858	(34,924)
Profit / (loss) After Tax		495,903	2,623	(34,924)
Earnings / (loss) per share <sup>1</sup>	Rs	3.27	0.01	(0.17)
Net Asset per share <sup>1</sup>	Rs	8.36	7.45	7.28

Pro-forma financial highlights of OXIA

Rs'000		30 June 2016	30 June 2017	31 March 2018
Total assets		1,496,697	1,466,369	1,519,582
Total liabilities		848,626	719,787	788,475
Shareholders' interests		648,071	746,582	731,107
Turnover		2,493	1,642	25,895
Operating (loss) / profit		(6,543)	(8,459)	16,085
Fair value movements <sup>2</sup>		(567,106)	(95,295)	(4,834)
Net finance costs		(23,923)	(45,175)	(26,780)
Loss Before Tax		(597,572)	(148,929)	(15,529)
Loss After Tax		(601,594)	(149,639)	(15,475)
Loss per share <sup>1</sup>	Rs	(3.97)	(0.73)	(0.08)
Net Asset per hare <sup>1</sup>	Rs	4.28	3.66	3.58

## 9. RISK FACTORS

Investing in any business comprises risks. Investors should bear in mind that the financial performance of both companies (AXYS & OXIA) and the risks associated with their business are important factors when deciding whether to invest in the shares of the companies. A number of risk factors and uncertainties may adversely affect the companies. If any of these risks or uncertainties actually occurs, the business, operating results and financial condition of each Company could be materially and adversely affected which ultimately could affect the companies' capacity to pay dividends and its share price.

The risks presented in this document are not exhaustive, and other risks not discussed herein may also adversely affect AXYS & OXIA.

AXYS & OXIA being both holding companies, their performance is directly linked to the performance of its subsidiaries and associates.

### 9.1 Litigation Risks

AXYS & OXIA, in its normal course of business, may be subject to litigation, claims from tax authorities or claims arising from the conduct of its business. The occurrence of potential proceedings, or other claims leading to a substantial legal liability could have a material adverse effect on each Company's business, results, operations, reputation and financial condition.

### 9.2 Political, social and economic risks in Mauritius and/or other countries

AXYS & OXIA, their subsidiaries and associates' operations are spread globally, and their revenues are derived from operations both locally and globally. Operations are subject to various risks that need to be assessed in comparison to jurisdictions elsewhere. These include political, social and economic risks specific to Mauritius, such as general economic volatility, recession, inflationary pressure, exchange rate risks and exchange controls, which could affect its subsidiaries and associates. General economic volatility could be influenced by global political events such as terrorist acts, war and other hostilities, as well as market specific events, such as shifts in consumer confidence and consumer spending, rates of unemployment, industrial output, labour or social unrest and political uncertainty. The existence of such factors may have an impact on Mauritius or in the jurisdiction where some of its subsidiaries operate and the results of AXYS & OXIA in ways that cannot be predicted. Income streams derived from foreign investments may be exposed to political, social and economic risks associated to these jurisdictions. Economic downturn may impact the performance of the subsidiaries and associates, especially in the tourism sector.

### 9.3 The impact of any future change in law (including Tax law) or regulation

Changes in regulations may increase each of AXYS and OXIA's group's cost of doing business, and may have a material adverse effect on their financial results.

### 9.4 Environmental, social and governance risks

Environmental, social and governance issues may impact the companies' ability to successfully and sustainably implement business strategy. Any failure to control these risks adequately or unexpected development in the future economic environment could have an adverse effect on the financial condition and reputation of AXYS & OXIA.

### 9.5 Regulatory changes and licences permits

AXYS & OXIA's business are based on the current regulatory and legal framework at the time of writing this document. Amongst others, some of their subsidiaries are subject to regulation of the Bank of Mauritius and the Financial Services Commission. Future changes in the regulatory environment and the basis on which licences and permits are granted, may have an impact on the existing business as well as future business opportunities, and may have a material adverse effect on the companies' financial results.

### 9.6 Financial risk factors

AXYS & OXIA's principal financial liabilities comprise of obligations under finance leases, bank loans, bank overdrafts and trade and other payables. The main purpose of these financial liabilities is to raise finance for the operations. AXYS & OXIA have various financial assets, such as investments designated at fair value through profit or loss, trade and other receivables and cash and short-term deposits which arise directly from its operations.

The main risks arising from the AXYS & OXIA's financial instruments are:

- Interest rate risk;
- Credit risk;
- Liquidity risk;
- Equity price risk;
- Foreign currency risk.

AXYS & OXIA's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect of each Company's financial performance. The Board of Directors reviews and agrees policies for managing each of these risks. A description of the significant risk factors is given below together with the risk management policies applicable.

### **Interest rate risk**

AXYS & OXIA's exposure to the risk of changes in market interest rates relates primarily to each Company's bank overdrafts and bank loans with floating interest rates. Interest rate risks are not hedged.

The policy is to manage its interest cost by using a mix of fixed and variable rate debts. Changes in market interest rate would also impact on the interest income of the loan to related parties, which would mitigate their exposure to interest costs.

### **Credit Risk**

AXYS & OXIA, being holding companies, deal mainly with related parties through advances and current accounts. Receivable balances are monitored on an ongoing basis with the result that each Company's exposure to bad debts is not significant.

Since AXYS & OXIA trade mainly with related companies, there is no requirement for collateral. AXYS & OXIA have no significant concentration of credit risk, with exposure spread over a large number of related entities. The maximum exposure is the carrying amount of its receivables.

### **Liquidity risk management**

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. AXYS & OXIA aim at maintaining flexibility in funding by keeping reliable credit lines available. Management is responsible for liquidity and funding. AXYS & OXIA have minimised its liquidity risk by ensuring that it has adequate banking facilities and reserve borrowing capacity.

### **Equity price risk management**

AXYS & OXIA are susceptible to equity market price risk arising from uncertainties about future prices of the equity securities because of investments designated at fair value through profit or loss. To manage its price risk arising from investments in equity securities, AXYS & OXIA diversify their portfolio.

### **Foreign currency risk**

AXYS & OXIA or their subsidiaries operate internationally and is exposed to foreign exchange risk arising from currency exposures with respect to Euro, Swiss Francs, South African Rand and United States Dollars.

## **9.7 Capital risk management**

AXYS & OXIA manage their capital to ensure that it is able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. They manage their capital structure and make adjustment to them, in light of changes in economic conditions. In order to maintain or adjust the capital structure, AXYS & OXIA may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

AXYS & OXIA monitor capital using gearing ratios, which is net debt divided by total capital plus debt. Each Company's strategy is to maintain the debt-to-adjusted capital ratio at the lower end, in order to secure access to finance at a reasonable cost. It includes within net debt, interest-bearing loans and borrowings, less cash in hand and at bank. Total capital is calculated as "equity" as shown in the statement of financial position less net unrealised gains reserves.

## **9.8 Completion risks**

The restructuring and subsequent listing of AXYS and OXIA is subject to the satisfaction of the following conditions precedent:

- I. the approval of the shareholders of UIL
- II. the approval of the bondholders of UIL bonds;
- III. the approval of the Court;
- IV. the approval of the SEM.

# 10. SHARE CAPITAL

## Share capital of the Company

The stated capital of both AXYS and OXIA are made up of 204,093,742 fully paid Ordinary Shares of no par value, each. At incorporation, each company issued 100 no par value shares for MUR1, 000.

Thereafter, an additional 204,093,642 shares have been issued to their sole shareholder UIL in exchange for the net assets transferred from UIL to AXYS & OXIA, respectively. The total number of shares in issue of 204,093,742 is the same as the number of shares in issue of UIL.

The Ordinary Shares are governed by the Companies Act 2001 and are denominated in MUR. The Ordinary Shares are currently in registered form.

There are no convertible debt securities. No part of the capital of each Company is under option or agreed conditionally or unconditionally to be put under option.

The constitutions of AXYS & OXIA are similar to UIL's.

The ordinary shares confer upon the holder the following rights (as per AXYS and OXIA constitution and the Companies Act 2001):

- a) the right to vote at meetings of shareholders and on a poll to cast one vote for each share held;
- b) the right to an equal share in dividends and other distributions made by AXYS and OXIA ; and
- c) the right to an equal share in the distribution of the surplus assets of AXYS and OXIA on its liquidation.

The relevant extracts of the constitutions of both AXYS & OXIA are set out in APPENDIX 1.

## Dividend

There is no formal dividend policy in both companies. Payment of dividends is subject to the profitability of AXYS & OXIA and availability of cash flow after their capital expenditure requirements. No dividend has been paid in FY17 from UIL.

## Transferability of shares

Upon the listing of the shares in AXYS and OXIA, the transfers of shares will be effected in accordance with the trading procedures established by SEM. Until the date on which the shares in AXYS and OXIA are listed on the SEM, the transfer of shares will be effected by execution of a share transfer form, the payment of duties and in the manner provided under the applicable laws. If the Effective Date will be the same date as the listing date, then the above will not be applicable.

# 11. ADDITIONAL INFORMATION

## Documents available for inspection

The following documents are available for inspection during normal business hours at the registered offices of UIL:

- The constitutions of AXYS & OXIA;
- The Independent Valuation report of AXYS and OXIA as 1 July 2017;
- UIL's audited financial statements for the years ended 30 June 2015, 2016 and 2017;
- The abridged unaudited financial statements of UIL for the period ended 30 September 2017, 31 December 2017 & 31 March 2018;

Further information can be found online on <http://www.uil.mu/>

# APPENDIX I

## – EXTRACTS OF THE CONSTITUTION

### AXYS

#### Article 7 OBJECTS AND POWERS

The Company has, both within and outside the Republic of Mauritius, full capacity to carry on and/or undertake any business or activities, to do any act or enter into any transaction, and, for those purposes, shall have full rights, powers and privileges. Article 8.2 Board may issue Shares

- a) Subject to the Act, this Constitution and the terms of issue of any existing Shares, the Board may issue Shares (including, but not limited to, Ordinary Shares and rights or options to acquire Shares, of any Class at any time, to any person and in such numbers as the Board thinks fit.
- b) Notwithstanding Section 55 of the Act and unless the terms of issue of any Class of Shares specifically provide otherwise, the Board may, if authorised by the Shareholders by Ordinary Resolution, issue Shares that rank (as to voting, Distribution or otherwise) equally with or in priority to, or in subordination to, the existing Shares without any requirement that the Shares be first offered to existing Shareholders.
- c) Furthermore, notwithstanding Section 55 of the Act and paragraph 8.2. (b) hereof, the Board may issue, at any time, but subject to the unanimous approval of the Directors, a number of Ordinary Shares, and rights or options to acquire such Shares, not exceeding twenty per cent of the total number of Ordinary shares in issue at the time of such issue of such Shares, rights or options, to any person, whether already a shareholder of the company or not, without any requirement that the said Shares be first offered to existing Shareholders and without the necessity of being authorised by the Shareholders by Ordinary Resolution.

#### Article 8.7 Variation of rights

- a) If, at any time, the share capital of the Company is divided into different Classes of Shares, the Company shall not take any action which varies the rights attached to a Class of Shares unless that variation is approved by a Special Resolution, or by consent in Writing of the holders of seventy five per cent (75 %) of the Shares of that Class; All the provisions of this Constitution relating to meetings of Shareholders shall apply “mutatis mutandis” to such a meeting provided however that the necessary quorum shall be the holders of at least one third of the issued Shares of that Class (but so that if, at any adjourned meeting of such holders, a quorum is not present, those Shareholders who are present shall constitute a quorum).
- b) Where the variation of rights attached to a Class of Shares is approved under clause 8.7(a) and the Company becomes entitled to take the action concerned, the holder of a Share of that Class who did not consent to or cast any votes in favour of the resolution for the variation, may apply to the Court for an order under section 178 of the Act, or may require the Company to purchase those Shares in accordance with section 108 of the Act. For the purposes of this clause, “variation” shall include abrogation and the expression “varied” shall be construed accordingly.
- c) A resolution which would have the effect of:
  - diminishing the proportion of the total votes exercisable at a General Meeting by the holders of the existing Shares of a Class; or
  - reducing the proportion of the Dividends or Distributions payable at any time to the holders of the existing Shares of a Class, shall be deemed to be a variation of the rights of that Class.
- d) The Company shall within one month from the date of the consent or resolution referred to in clause 8.7(a) file with the Registrar in a form approved by him the particulars of such consent or resolution.

### **Article 10.1 Shares to be freely transferable**

There shall be no restrictions on the transfer of fully paid up Shares and any document relating to or affecting the title to any Shares shall be registered with the Company without payment of any fee.

### **Article 10.3 Form of transfer**

- a) A Shareholder may transfer all or any of his Shares in any manner provided by any enactment.
- b) Nothing in clause 10.2(a) shall prejudice any power to register as a Shareholder a person to whom a right to any Share has been transmitted by operation of law.

### **Article 17.3 – Unclaimed Dividends**

All dividends unclaimed for one year after having been authorized may be invested or otherwise made use of by the Board for the benefit of the Company until claimed, and all dividends unclaimed for five years after having been declared may be forfeited by the Board for the benefit of the Company. The Board may, however, annul any such forfeiture and agree to pay to a claimant who produces evidence of entitlement to the Board's satisfaction the amount of its dividends forfeited unless, in the opinion of the Board, such payment would embarrass the Company.

### **Article 17.3 - Dividends payable pari passu**

The Board may not authorise a Dividend in respect of some but not all the Shares in a Class, or of a greater amount in respect of some Shares in a Class than other Shares in that Class except where:

- a. the amount of the Dividend is reduced in proportion to any liability attached to the Shares under this Constitution;
- b. a Shareholder has agreed in Writing to receive no dividend, or a lesser dividend than would otherwise be payable;

and unless it is paid out of retained earnings, after having made good any accumulated losses at the beginning of the Accounting Period.

## **Article 19 EXERCISE OF POWERS RESERVED TO SHAREHOLDERS**

### **Article 19.1 Powers reserved to Shareholders**

- a) Powers reserved to Shareholders of the Company by the Act or by this Constitution may be exercised:
  - i. at a General Meeting; or
  - ii. by a resolution in lieu of a meeting pursuant to clause 20.3.
  - iii. by a Unanimous Resolution.
- b) Unless otherwise specified in the Act or this Constitution, a power reserved to Shareholders may be exercised by an Ordinary Resolution.

### **Article 19.2 Special Resolutions.**

When Shareholders exercise a power to approve any of the following, that power may only be exercised by a Special Resolution:

- a) an alteration to or revocation of this Constitution or the adoption of a new Constitution;
- b) a Major Transaction;
- c) an Amalgamation;
- d) the liquidation of the Company;
- e) a reduction of the stated capital under section 62 of the Act.

Any decision made by Special Resolution pursuant to this clause may be rescinded only by a Special Resolution, provided that a resolution to put the Company into liquidation cannot be rescinded.

### **Article 19.3 Management review by Shareholders**

- a) The Chairperson of any General Meeting shall give the Shareholders a reasonable opportunity to discuss and comment on the management of the Company.
- b) A General Meeting may pass a resolution which makes recommendations to the Board on matters affecting the management of the Company.
- c) A resolution relating to the management of the Company passed at a General Meeting (in accordance with clause 19.3(b)) is not binding on the Board, unless it is carried as a Special Resolution.

## **Article 20 GENERAL MEETINGS**

### **Article 20.1 Annual Meetings**

- a) The Board shall call an Annual Meeting of Shareholders to be held:
  - (i) not more than once in each year;
  - (ii) not later than six (6) months after the Balance Sheet Date of the Company; and
  - (iii) not later than fifteen (15) months after the previous Annual Meeting.
- b) The business to be transacted at an Annual Meeting shall, unless already dealt with by the Company, include:
  - (i) the consideration and approval of the financial statements;
  - (ii) the receiving of the auditor's report;
  - (iii) the consideration of the annual report;
  - (iv) the appointment of any Directors including those whose annual appointment is required by the Act;
  - (v) the appointment of the auditor pursuant to Section 195 of The Act; and
  - (vi) the remuneration of any Director and of the auditor.

### **Article 20.2 Special Meetings**

A Special Meeting may be called at any time by the Board and shall be so called on the written request of Shareholders holding Shares carrying together not less than five per cent (5%) of the voting rights entitled to be exercised on the issue.

### **Article 20.5 Notice of General Meetings**

- a) Written notice of the time and place of a General Meeting shall be sent to every Shareholder entitled to receive notice of the General Meeting and to every Director, secretary and auditor of the Company not less than fourteen (14) days before the General Meeting.
- b) The notice shall state:
  - the nature of the business to be transacted at the General Meeting in sufficient detail to enable a Shareholder to form a reasoned judgment in relation to it; and
  - the text of any Special Resolution to be submitted to the General Meeting.
  - and in the case of an Annual Meeting, shall include a printed copy of the financial statements and annual report of the Company.

## **Article 21 APPOINTMENT AND REMOVAL OF DIRECTORS**

### **Article 21.1 Number of Directors.**

The Board shall consist of not less than five (5) or more than fifteen (15) Directors.

### **Article 21.3 Appointment of Directors by notice**

- a) Subject to clauses 21.2, 21.4 and 21.5, the Directors shall be the persons appointed from time to time as Directors by a notice in Writing signed by the holders of the majority of the Ordinary Shares and who have not resigned or been removed or disqualified from office under this Constitution.
- b) A notice given under clause 21.3(a) shall take effect upon receipt of it at the registered office of the Company (including the receipt of a facsimile copy) unless the notice specifies a later time at which the notice will take effect. The notice may comprise one or more similar documents separately signed by the Shareholders giving the notice.
- c) A Director shall hold office until his resignation, disqualification or removal in accordance with this Constitution.

### **Article 21.4 Appointment of Directors by resolution**

- a) In addition to the appointment of Directors under clauses 21.3 and 21.5, a Director may be appointed by an Ordinary Resolution.
- b) A resolution to appoint two or more Directors may be voted on one resolution without each appointment being voted individually.
- c) No person shall be eligible for appointment as a Director at a General Meeting unless not less than seven days before the day appointed for the Meeting, there shall have been left at the registered office of the Company notice in writing signed by a Shareholder duly qualified to attend and vote at the Meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by the person to be proposed of his willingness to be elected.

#### **Article 21.5 Disqualification and removal of Directors.**

A person will be disqualified from holding the office of Director if he:

- a) is removed by Ordinary Resolution passed at a General Meeting called for that purpose; or
- b) resigns in Writing and is not reappointed in accordance with this Constitution; or
- c) becomes disqualified from being a Director pursuant to section 133 of the Act; or
- d) is (or would, but for the repeal of section 117 of the companies act 1984, be) prohibited from being a Director or promoter of, or being concerned with or taking part in the management of a Company under section 337 or 338 of the Act; or
- e) dies; or
- f) attains or is over the age of seventy (70) years; (but subject always to section 138 of the Act), or
- g) is under eighteen (18) years of age; or
- h) is an undischarged bankrupt.

#### **Article 21.6 Shareholding qualification.**

A Director shall not be required to hold Shares.

#### **Article 22.1 Powers of the Board**

- a) Subject to any restrictions in the Act or this Constitution, the business and affairs of the Company shall be managed by or under the direction or supervision of the Board.
- b) The Board shall have all the powers necessary for managing, and for directing and supervising the management of, the business and affairs of the Company except to the extent that this Constitution or the Act expressly requires those powers to be exercised by the Shareholders or any other person.
- c) The Board shall moreover have all the powers of the Company as expressed in section 27 of the Act and clause 7 of this Constitution, including, but not limited to, the power to purchase and sell property, to borrow money and to mortgage, pledge or create charges on its assets and to issue debentures and other securities, whether outright or as security for any debt, liability, or obligation of the Company or of any third party.

#### **Article 24.1 Authority to remunerate Directors**

- a) The Shareholders by Ordinary Resolution, or the Board if it is satisfied that to do so is fair to the Company, shall approve:
  - I. the payment of remuneration (or the provision of other benefits) by the Company to a Director for his services as a Director, or the payment of compensation for loss of office; and
  - II. the making of loans and the giving of guarantees by the Company to a Director in accordance with section 159 (6) of the Act.
- b) The Board shall ensure that, forthwith after authorising any payment under clause 24.1(a), particulars of such payment are entered in the Interests Register.
- c) Notwithstanding the provisions of this clause, the Shareholders of the Company may, by Unanimous Resolution, approve any payment, provision, benefit, assistance or other distribution referred to in section 159 of the Act provided that there are reasonable grounds to believe that, after the distribution, the Company is likely to satisfy the Solvency Test.

#### **Article 24.3 Notice of interest to be given**

- a) A Director shall, forthwith after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, cause to be entered in the Interests Register, and, where the Company has more than one Director, disclose to the Board of the Company:
  - I. where the monetary value of the Director's interest is able to be quantified, the nature and monetary value of that interest; or
  - II. where the monetary value of the Director's interest cannot be quantified, the nature and extent of that interest.
- b) Director shall not be required to comply with Clause 24.3(a) where:
  - I. the transaction or proposed transaction is between the Director and the Company; and
  - II. the transaction or proposed transaction is or is to be entered into the ordinary course of the Company's business and on usual terms and conditions.

- c) For the purposes of clause 24.3(a), a general notice entered in the Interests Register, or disclosed to the Board to the effect that a Director is a Shareholder, Director, officer or trustee of another company or other person and is to be regarded as interested in any transaction which may, after the date of the entry or disclosure, be entered into with that Company or person, is a sufficient disclosure of interest in relation to that transaction.
- d) A Director who has declared his interest in accordance with this clause shall not vote on any matter relating to the transaction or proposed transaction in which he is interested.
- e) A failure by a Director to comply with Clause 24.3(a) shall not affect the validity of a transaction entered into by the Company or the Director.

## OXIA

### Article 7 OBJECTS AND POWERS

The Company has, both within and outside the Republic of Mauritius, full capacity to carry on and/or undertake any business or activities, to do any act or enter into any transaction, and, for those purposes, shall have full rights, powers and privileges. Article 8.2 Board may issue Shares

- a) Subject to the Act, this Constitution and the terms of issue of any existing Shares, the Board may issue Shares (including, but not limited to, Ordinary Shares and rights or options to acquire Shares, of any Class at any time, to any person and in such numbers as the Board thinks fit.
- b) Notwithstanding Section 55 of the Act and unless the terms of issue of any Class of Shares specifically provide otherwise, the Board may, if authorised by the Shareholders by Ordinary Resolution, issue Shares that rank (as to voting, Distribution or otherwise) equally with or in priority to, or in subordination to, the existing Shares without any requirement that the Shares be first offered to existing Shareholders.
- c) Furthermore, notwithstanding Section 55 of the Act and paragraph 8.2. (b) hereof, the Board may issue, at any time, but subject to the unanimous approval of the Directors, a number of Ordinary Shares, and rights or options to acquire such Shares, not exceeding twenty per cent of the total number of Ordinary shares in issue at the time of such issue of such Shares, rights or options, to any person, whether already a shareholder of the company or not, without any requirement that the said Shares be first offered to existing Shareholders and without the necessity of being authorised by the Shareholders by Ordinary Resolution.

### Article 8.7 Variation of rights

- a) If, at any time, the share capital of the Company is divided into different Classes of Shares, the Company shall not take any action which varies the rights attached to a Class of Shares unless that variation is approved by a Special Resolution, or by consent in Writing of the holders of seventy five per cent (75 %) of the Shares of that Class; All the provisions of this Constitution relating to meetings of Shareholders shall apply "mutatis mutandis" to such a meeting provided however that the necessary quorum shall be the holders of at least one third of the issued Shares of that Class (but so that if, at any adjourned meeting of such holders, a quorum is not present, those Shareholders who are present shall constitute a quorum).
- b) Where the variation of rights attached to a Class of Shares is approved under clause 8.7(a) and the Company becomes entitled to take the action concerned, the holder of a Share of that Class who did not consent to or cast any votes in favour of the resolution for the variation, may apply to the Court for an order under section 178 of the Act, or may require the Company to purchase those Shares in accordance with section 108 of the Act. For the purposes of this clause, "variation" shall include abrogation and the expression "varied" shall be construed accordingly.
- c) A resolution which would have the effect of:
  - diminishing the proportion of the total votes exercisable at a General Meeting by the holders of the existing Shares of a Class; or
  - reducing the proportion of the Dividends or Distributions payable at any time to the holders of the existing Shares of a Class, shall be deemed to be a variation of the rights of that Class.
- d) The Company shall within one month from the date of the consent or resolution referred to in clause 8.7(a) file with the Registrar in a form approved by him the particulars of such consent or resolution.

### **Article 10.1 Shares to be freely transferable**

There shall be no restrictions on the transfer of fully paid up Shares and any document relating to or affecting the title to any Shares shall be registered with the Company without payment of any fee.

### **Article 10.3 Form of transfer**

- a) A Shareholder may transfer all or any of his Shares in any manner provided by any enactment.
- b) Nothing in clause 10.2(a) shall prejudice any power to register as a Shareholder a person to whom a right to any Share has been transmitted by operation of law.

### **Article 17.1 Solvency Test**

- a) Notwithstanding section 61(1)(b) of the Act but subject to clause 17.2, the Board may, if it is satisfied on reasonable grounds that the Company will satisfy the Solvency Test immediately after the Distribution, authorise a Distribution by the Company to Shareholders of any amount and to any Shareholders as it thinks fit.
- b) (The Directors who vote in favour of a Distribution shall sign a certificate stating that, in their opinion, the Company will satisfy the Solvency Test immediately after the Distribution.
- c) All dividends unclaimed for one year after having been authorized may be invested or otherwise made use of by the Board for the benefit of the Company until claimed, and all dividends unclaimed for five years after having been declared may be forfeited by the Board for the benefit of the Company. The Board may, however, annul any such forfeiture and agree to pay to a claimant who produces evidence of entitlement to the Board's satisfaction the amount of its dividends forfeited unless, in the opinion of the Board, such payment would embarrass the Company.

### **Article 17.2 Dividends payable pari passu**

The Board may not authorise a Dividend in respect of some but not all the Shares in a Class, or of a greater amount in respect of some Shares in a Class than other Shares in that Class except where:

- a) the amount of the Dividend is reduced in proportion to any liability attached to the Shares under this Constitution;
- b) a Shareholder has agreed in Writing to receive no dividend, or a lesser dividend than would otherwise be payable;

and unless it is paid out of retained earnings, after having made good any accumulated losses at the beginning of the Accounting Period.

## **Article 19 EXERCISE OF POWERS RESERVED TO SHAREHOLDERS**

### **Article 19.1 Powers reserved to Shareholders**

- a) Powers reserved to Shareholders of the Company by the Act or by this Constitution may be exercised:
  - i. at a General Meeting; or
  - ii. by a resolution in lieu of a meeting pursuant to clause 20.3.
  - iii. by a Unanimous Resolution.
- b) Unless otherwise specified in the Act or this Constitution, a power reserved to Shareholders may be exercised by an Ordinary Resolution.

### **Article 19.2 Special Resolutions.**

When Shareholders exercise a power to approve any of the following, that power may only be exercised by a Special Resolution:

- a) an alteration to or revocation of this Constitution or the adoption of a new Constitution;
- b) a Major Transaction;
- c) an Amalgamation;
- d) the liquidation of the Company;
- e) a reduction of the stated capital under section 62 of the Act.

Any decision made by Special Resolution pursuant to this clause may be rescinded only by a Special Resolution, provided that a resolution to put the Company into liquidation cannot be rescinded.

### **Article 19.3 Management review by Shareholders**

- a) The Chairperson of any General Meeting shall give the Shareholders a reasonable opportunity to discuss and comment on the management of the Company.
- b) A General Meeting may pass a resolution which makes recommendations to the Board on matters affecting the management of the Company.
- c) A resolution relating to the management of the Company passed at a General Meeting (in accordance with clause 19.3(b)) is not binding on the Board, unless it is carried as a Special Resolution.

## **Article 20 GENERAL MEETINGS**

### **Article 20.1 Annual Meetings**

- a) The Board shall call an Annual Meeting of Shareholders to be held:
  - (i) not more than once in each year;
  - (ii) not later than six (6) months after the Balance Sheet Date of the Company; and
  - (iii) not later than fifteen (15) months after the previous Annual Meeting.
- b) The business to be transacted at an Annual Meeting shall, unless already dealt with by the Company, include:
  - (i) the consideration and approval of the financial statements;
  - (ii) the receiving of the auditor's report;
  - (iii) the consideration of the annual report;
  - (iv) the appointment of any Directors including those whose annual appointment is required by the Act;
  - (v) the appointment of the auditor pursuant to Section 195 of The Act; and
  - (vi) the remuneration of any Director and of the auditor.

### **Article 20.2 Special Meetings**

A Special Meeting may be called at any time by the Board and shall be so called on the written request of Shareholders holding Shares carrying together not less than five per cent (5%) of the voting rights entitled to be exercised on the issue.

### **Article 20.5 Notice of General Meetings**

- a) Written notice of the time and place of a General Meeting shall be sent to every Shareholder entitled to receive notice of the General Meeting and to every Director, secretary and auditor of the Company not less than fourteen (14) days before the General Meeting.
- b) The notice shall state:
  - the nature of the business to be transacted at the General Meeting in sufficient detail to enable a Shareholder to form a reasoned judgment in relation to it; and
  - the text of any Special Resolution to be submitted to the General Meeting.
  - and in the case of an Annual Meeting, shall include a printed copy of the financial statements and annual report of the Company.
- c) Any irregularity in a notice of a General Meeting shall be waived where all the Shareholders entitled to attend and vote at the General Meeting attend the General Meeting without protest as to the irregularity, or where all such Shareholders agree to the waiver.
- d) Any accidental omission to give notice of a General Meeting to, or the failure to receive notice of a General Meeting by, a Shareholder shall not invalidate the proceedings at that General Meeting.
- e) The Chairperson may, or where directed by the General Meeting, shall, adjourn the General Meeting from time to time and from place to place, but no business shall be transacted at any adjourned General Meeting other than the business left unfinished at the General Meeting from which the adjournment took place.
- f) When a General Meeting is adjourned for thirty (30) days or more, notice of the adjourned General Meeting shall be given as in the case of an original General Meeting.
- g) Notwithstanding clauses 20.5(a), (b) and (c), it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned General Meeting

## **Article 21 APPOINTMENT AND REMOVAL OF DIRECTORS**

### **Article 21.1 Number of Directors.**

The Board shall consist of not less than five (5) or more than fifteen (15) Directors.

### **Article 21.3 Appointment of Directors by notice**

- a) Subject to clauses 21.2, 21.4 and 21.5, the Directors shall be the persons appointed from time to time as Directors by a notice in Writing signed by the holders of the majority of the Ordinary Shares and who have not resigned or been removed or disqualified from office under this Constitution.
- b) A notice given under clause 21.3(a) shall take effect upon receipt of it at the registered office of the Company (including the receipt of a facsimile copy) unless the notice specifies a later time at which the notice will take effect. The notice may comprise one or more similar documents separately signed by the Shareholders giving the notice.
- c) A Director shall hold office until his resignation, disqualification or removal in accordance with this Constitution.

### **Article 21.4 Appointment of Directors by resolution**

- a) In addition to the appointment of Directors under clauses 21.3 and 21.5, a Director may be appointed by an Ordinary Resolution.
- b) A resolution to appoint two or more Directors may be voted on one resolution without each appointment being voted individually.
- c) No person shall be eligible for appointment as a Director at a General Meeting unless not less than seven days before the day appointed for the Meeting, there shall have been left at the registered office of the Company notice in writing signed by a Shareholder duly qualified to attend and vote at the Meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by the person to be proposed of his willingness to be elected.

### **Article 21.6 Disqualification and removal of Directors.**

A person will be disqualified from holding the office of Director if he:

- a) is removed by Ordinary Resolution passed at a General Meeting called for that purpose; or
- b) resigns in Writing and is not reappointed in accordance with this Constitution; or
- c) becomes disqualified from being a Director pursuant to section 133 of the Act; or
- d) is (or would, but for the repeal of section 117 of the companies act 1984, be) prohibited from being a Director or promoter of, or being concerned with or taking part in the management of a Company under section 337 or 338 of the Act; or
- e) dies; or
- f) attains or is over the age of seventy (70) years; (but subject always to section 138 of the Act), or
- g) is under eighteen (18) years of age; or
- h) is an undischarged bankrupt.

### **Article 21.7 Shareholding qualification.**

A Director shall not be required to hold Shares.

### **Article 22.1 Powers of the Board**

- a) Subject to any restrictions in the Act or this Constitution, the business and affairs of the Company shall be managed by or under the direction or supervision of the Board.
- b) The Board shall have all the powers necessary for managing, and for directing and supervising the management of, the business and affairs of the Company except to the extent that this Constitution or the Act expressly requires those powers to be exercised by the Shareholders or any other person.
- c) The Board shall moreover have all the powers of the Company as expressed in section 27 of the Act and clause 7 of this Constitution, including, but not limited to, the power to purchase and sell property, to borrow money and to mortgage, pledge or create charges on its assets and to issue debentures and other securities, whether outright or as security for any debt, liability, or obligation of the Company or of any third party.

### **Article 24.1 Authority to remunerate Directors**

- a) The Shareholders by Ordinary Resolution, or the Board if it is satisfied that to do so is fair to the Company, shall approve:
  - I. the payment of remuneration (or the provision of other benefits) by the Company to a Director for his services as a Director, or the payment of compensation for loss of office; and
  - II. the making of loans and the giving of guarantees by the Company to a Director in accordance with section 159 (6) of the Act.

- b) The Board shall ensure that, forthwith after authorising any payment under clause 24.1(a), particulars of such payment are entered in the Interests Register.
- c) Notwithstanding the provisions of this clause, the Shareholders of the Company may, by Unanimous Resolution, approve any payment, provision, benefit, assistance or other distribution referred to in section 159 of the Act provided that there are reasonable grounds to believe that, after the distribution, the Company is likely to satisfy the Solvency Test.

**Article 24.3 Notice of interest to be given**

- a) A Director shall, forthwith after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, cause to be entered in the Interests Register, and, where the Company has more than one Director, disclose to the Board of the Company:
  - I. where the monetary value of the Director's interest is able to be quantified, the nature and monetary value of that interest; or
  - II. where the monetary value of the Director's interest cannot be quantified, the nature and extent of that interest.
- b) Director shall not be required to comply with Clause 24.3(a) where:
  - I. the transaction or proposed transaction is between the Director and the Company; and
  - II. the transaction or proposed transaction is or is to be entered into the ordinary course of the Company's business and on usual terms and conditions.
- c) For the purposes of clause 24.3(a), a general notice entered in the Interests Register, or disclosed to the Board to the effect that a Director is a Shareholder, Director, officer or trustee of another company or other person and is to be regarded as interested in any transaction which may, after the date of the entry or disclosure, be entered into with that Company or person, is a sufficient disclosure of interest in relation to that transaction.
- d) A Director who has declared his interest in accordance with this clause shall not vote on any matter relating to the transaction or proposed transaction in which he is interested.
- e) A failure by a Director to comply with Clause 24.3(a) shall not affect the validity of a transaction entered into by the Company or the Director.





6<sup>th</sup> Floor, Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis 11307, Mauritius  
Tel: (230) 405 4000 Fax: (230) 211 9833 Email: [info@uil.mu](mailto:info@uil.mu)