

PRESIDENCE DE LA REPUBLIQUE  
PRESIDENCY OF THE REPUBLIC  
SECRETARIAT GENERAL  
SERVICE DU FICHIER LEGISLATIF ET REGLEMENTAIRE  
LEGISLATIVE AND STATUTORY AFFAIRS CARD INDEX SERVICE  
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**ARTICLES OF ASSOCIATION OF THE  
NATIONAL MINING CORPORATION  
(SONAMINES)**

**CHAPTER ONE**  
**FORM – PURPOSE – NAME – HEAD OFFICE – DURATION –**  
**SUPERVISORY AUTHORITY**

**I. CORPORATE NAME**

**ARTICLE 1:** These Articles of Association shall govern the National Mining Corporation, abbreviated and hereinafter referred to as "SONAMINES".

**II. CORPORATE FORM**

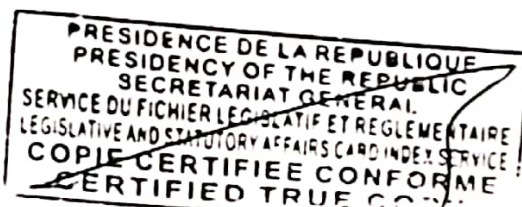
**ARTICLE 2:** (1) SONAMINES shall be a public limited company (PLC), with the State as sole shareholder.

(2) Notwithstanding the provisions of Article 2(1) above, the shareholding of SONAMINES may be open to other public or private entities.

(3) SONAMINES shall also be governed by the provisions of:

- the laws and regulations in force;
- the OHADA Uniform Act on Commercial Companies and Economic Interest Groups, adopted at Ouagadougou on 30 January 2014;
- Law No. 2016/17 of 14 December 2016 to institute the Mining Code;
- Law No. 2017/11 of 12 July 2017 to lay down the general rules and regulations governing public corporations;
- Law No. 2018/11 of 11 July 2018 to lay down the Cameroon Code of Transparency and Good Governance in public finance management;
- Law No. 2018/12 of 11 July 2018 on the financial regime of the State and other public entities;
- Decree No. 2011/408 of 9 December 2011 to organize the Government, as amended and supplemented by Decree No. 2018/190 of 2 March 2018,
- Decree No. 2019/320 of 19 June 2019 to lay down conditions for implementing some provisions of Law No. 2017/10 and Law No. 2017/11 of 12 July 2017 to lay down the general rules and regulations governing public establishments and public corporations;
- Decree No. 2019/321 of 19 June 2019 to lay down categories of public corporations and the remuneration, allowances and benefits of their managers;
- Decree No. 2020/749 of 14 DEC 2020 to set up the National Mining Corporation.

(4) Acts and documents issued by SONAMINES to third parties, in particular letters, bills, announcements and various publications, shall indicate the corporate name, preceded or followed immediately and legibly by the expression



"Public Corporation" or the initials "PLC" and an indication of the amount of the registered capital as well as the place and registration number of SONAMINES in the Trade and Investment Credit Register, as appropriate.

### III. CORPORATE PURPOSE

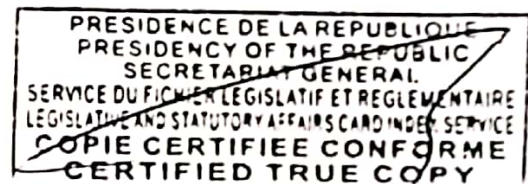
**ARTICLE 3:** SONAMINES shall develop and promote the mining sector in Cameroon, with the exception of hydrocarbons and quarry materials, and manage the interests of the State in the area.

To that end, it shall in particular be responsible for:

- carrying out the inventory of mining showings, in conjunction with other relevant government services and bodies;
- conducting studies on the exploration and exploitation of mineral substances, in conjunction with other relevant government services and bodies;
- carrying out mineral substance exploration, exploitation and marketing activities;
- promoting the processing of mineral substances;
- ensuring the implementation of measures relating to the rehabilitation of non-industrial and semi-mechanized mining sites, in conjunction with other relevant government services
- acquiring shares in companies involved in the exploration, exploitation, marketing, treatment and processing of mineral substances through contributions, sponsorship, subscriptions, purchase of corporate securities and/or rights, alliance and/or joint venture;
- participating in negotiations and monitoring the execution of contracts signed with mining companies, in conjunction with the Ministry in charge of mines and other government services concerned;
- collecting and preserving documentation on mineral substances and mining activities, in conjunction with the Ministry in charge of mines;
- contributing to the promotion of transparency in the mining sector;
- contributing to the promotion of geological and mining information, in conjunction with the other relevant government services;
- carrying out all commercial, industrial, capital, real estate and financial transactions directly or indirectly linked to its corporate purpose or that can foster its development.

### IV. HEAD OFFICE AND SUBSIDIARIES

**ARTICLE 4:** (1) The head office of SONAMINES shall be in Yaounde. It may be transferred to any other locality within the national territory by resolution of the Board of Directors, subject to ratification by the Extraordinary General Meeting.



(2) SONAMINES may set up corporate branches, subsidiaries, agencies, counters and depots wherever it deems necessary without such action giving rise to a waiver of the jurisdiction rules laid down by the present Articles of Association.

(3) The sub entities referred to in (2) above may be set up within or outside the national territory by resolution of the Board of Directors.

#### V. EMBLEM AND LOGO

**ARTICLE 5:** (1) For purposes of its visual identification, SONAMINES shall have a typographic emblem and a logo.

(2) The definition and description of the typographic emblem and logo referred to in (1) above shall be determined by resolution of the Board of Directors.

#### VI. DURATION

**ARTICLE 6:** SONAMINES shall have a duration of 99 (ninety-nine) years with effect from the date of its entry in the Trade and Investment Credit Register, except in the case of early dissolution, transformation or extension as provided for by the laws in force and the present Articles of Association.

#### VI. SUPERVISORY AUTHORITY

**ARTICLE 7:** (1) SONAMINES shall be under the technical supervisory authority of the ministry in charge of mines and the financial supervisory authority of the ministry in charge of finance.

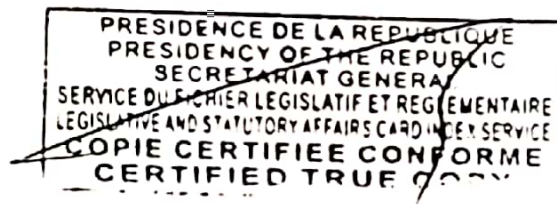
(2) The technical supervisory authority shall ensure compliance of the resolutions of the Board of Directors with the laws and regulations in force, as well as with sector policy guidelines.

(3) The financial supervisory authority shall ensure the regularity of the resolutions of the Board of Directors with a financial impact, the sustainability of financial commitments and the overall consistency of SONAMINES' performance plans with sector programmes.

**ARTICLE 8:** The General Manager of SONAMINES shall submit to the technical and financial supervisory authorities all documents and information relating to the life of the corporation, in particular financial statements, the auditor's report and activity reports.

**ARTICLE 9:** (1) The technical and financial supervisory authorities, in conjunction with the Board of Directors, shall contribute towards monitoring the performance of SONAMINES.

(2) The Minister in charge of mines and the Minister in charge of finance shall, each in his sphere of competence, submit an annual report on the situation of SONAMISE to the President of the Republic.



(3) The State shall intervene in the management of SONAMINES through its representatives in the management and administrative organs of the corporation.

## CHAPTER II CONTRIBUTIONS – REGISTERED CAPITAL - SHARES

### I. STATE CONTRIBUTIONS

**ARTICLE 10:** (1) For the setting up of SONAMINES, the State shall transfer, for ownership or use, according to their legal status, assets from property, national land, the public property and private property of the State.

(2) The legal status of the assets referred to in (1) above shall be as follows:

- national land, public property and private property of the State transferred for use to SONAMINES, in accordance with property laws, shall maintain their original status;
- the private property of the State transferred for ownership to SONAMINES shall be permanently incorporated into its property;
- assets forming part of the private property of SONAMINES shall be managed in accordance with ordinary law.

**ARTICLE 11:** (1) The General Manager shall manage the property of SONAMINES, under the control of the Board of Directors.

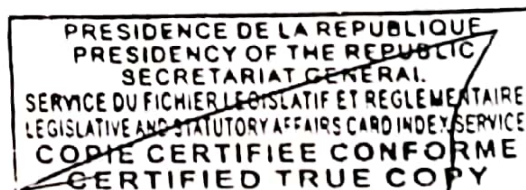
(2) The property management referred to in (1) above shall concern the acquisition of movable and immovable property and the disposal thereof.

**ARTICLE 12:** (1) In case of disposal of an asset belonging to SONAMINES, the General Manager shall seek the prior authorization of the Board of Directors. He shall present an update on the situation of the property to the Board of Directors which shall review the same during one of its sessions.

(2) The authorization of the Board of Directors referred to in (1) above shall be granted by resolution adopted by at least two thirds (2/3) of its members.

### II. REGISTERED CAPITAL

**ARTICLE 13:** The registered capital of SONAMINES shall stand at 10,000,000,000 (ten billion) CFA francs, broken down as follows: 1,000,000 (one million) shares of a nominal value of 10,000 (ten thousand) CFA francs each and of the same category, fully subscribed and paid up by the State of Cameroon.



PARAGRAPH I  
TYPE OF SHARES

**ARTICLE 14:** The shares of SONAMINES shall be nominal shares held in the name of the State by the minister in charge of finance.

PARAGRAPH II  
PAYING UP OF SHARES

**ARTICLE 15:** (1) For shares to be subscribed in cash, at least  $\frac{1}{4}$  (one quarter) of their registered amount and, where necessary, the entire share premium shall be paid up during subscription. The surplus shall be paid up in one or several instalments when the Board of Directors calls for funds at intervals determined by the said Board. In any case, it shall be completed within a maximum period of 3 (three) years, with effect from the date of the legal creation of the said shares.

(2) The State shall be informed of calls for capital at least 15 (fifteen) days before the date fixed for each payment, by a registered letter sent to it by the Board of Directors at the address indicated during the subscription of shares. Shares subscribed to increase capital may be paid up through setoff with an unquestionable, liquid and due claim on SONAMINES.

(3) Shares granted and representing contributions in kind shall be entirely paid up once they are issued.

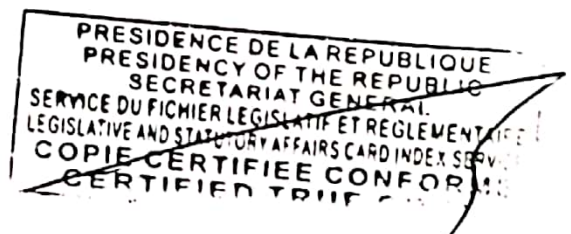
PARAGRAPH III  
FAILURE TO PAY UP

**ARTICLE 16:** (1) Where, within the time-limit set during the call for capital, some shares have not been fully paid up, SONAMINES may, 30 (thirty) days following a formal and individual notice, notify the defaulting shareholder by an extrajudicial act that the shares in question shall be sold, subject to the legal provisions governing privatization. To this end, the numbers of the shares shall be published in legal notices newspapers of the place where the head office is situated 15 (fifteen) days following the publication without any further former notice, authorization or time-limit. The sale procedure shall comply with the regulations governing privatization.

(2) Where sale is impossible, the Extraordinary General Meeting shall decide, on the proposal of the Board of Directors, to reduce the capital and, accordingly, authorize amendment of the Articles of Association.

PARAGRAPH IV  
LIABILITY OF SHARE TRANSFERORS

**ARTICLE 17:** Where the State, as subscriber or shareholder, transfers its shares, it shall, 2 (two) years following the transfer, cease to be liable for any outstanding payments.



PARAGRAPH V  
TRANSMISSION OF SHARES

**ARTICLE 18:** Shares may be transmitted, subject to compliance with the legal and statutory provisions governing privatization.

PARAGRAPH VI  
NEGOTIABILITY OF SHARES

**ARTICLE 19:** (1) Shares shall be freely negotiable after enrolment of SONAMINES in the Trade and Investment Credit Register, subject to the regulations governing privatization. In case of capital increase, shares shall be negotiable with effect from the date the increase is realized.

(2) Shares shall still be negotiable after the dissolution of SONAMINES and up to the end of the liquidation period.

(3) Shares which have not been fully paid up shall not be negotiable.

(4) Negotiation of promises of shares shall be forbidden.

PARAGRAPH VII  
RIGHTS AND OBLIGATIONS ATTACHED TO SHARES

**ARTICLE 20:** Shares shall be indivisible within the corporation.

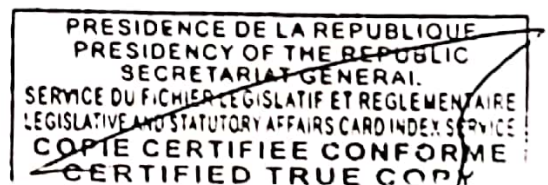
**ARTICLE 21:** (1) In ownership of the assets of the corporation, each share of the same category shall be entitled to a portion proportionate to the fraction of capital which it represents. It shall further give entitlement to a proportionate share of the profits of the corporation. All shares of the same face value in the same category shall be equal among themselves, save for their dividend commencement dates.

(2) The State as shareholder shall be liable only up to the level of the nominal value of its shares. Beyond that, any call for capital shall be forbidden. The rights and obligations attached to a share shall be vested in whoever duly holds it.

(3) Creditors or representatives of the State as shareholder may not, for any reason, request the sealing of SONAMINES property and securities or the sharing or sale by auction thereof, or interfere in any manner in the acts of its administration. In taking action, they shall refer to the inventories of the corporation and the decisions of its organs.

**III - CAPITAL INCREASE**

**ARTICLE 22:** (1) The registered capital may be increased in one or more instalments, by decision of the Extraordinary General Meeting, either through the creation of new shares representing contributions in kind or cash, or the transformation of legal reserves, or through an increase of the nominal amount of existing shares.



(2) The Extraordinary General Meeting shall lay down conditions for creating or issuing new shares, or delegate its powers to the Board of Directors, including that of amending the Articles of Association as necessitated by the capital increase. New shares shall be issued at their nominal value.

**ARTICLE 23:** Only the Extraordinary General Meeting may, upon the report of the Board of Directors, decide any capital increase.

**ARTICLE 24:** Capital increase must be effected within 3 (three) years of the resolution of the General Meeting authorizing such increase.

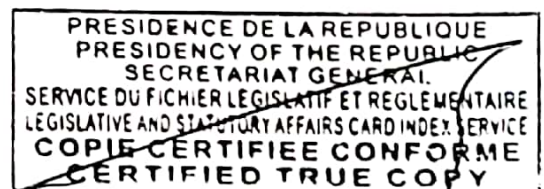
**ARTICLE 25:** (1) Capital increase through the issuance of new shares, to be paid up in cash or by offset, shall be subject to the following preconditions:

- existing capital must be fully paid up before the issuance of any shares to be paid up in cash, otherwise the increase shall be null and void;
- where new shares are paid up through offset with liquid and due claims on the SONAMINES, such claims shall be the subject of a statement of account prepared by the Board of Directors and certified as accurate by the Auditor;
- the statement of account shall be attached to the certificate of the Auditor or that of the Notary Public. It shall serve as the depositary's certificate;
- the minister in charge of finance, manager of public shareholding, shall be informed of the issuance of new shares and the terms and conditions thereof through a notice sent to him by registered letter with acknowledgement of receipt within 15 (fifteen) days prior to the date of the opening of subscription;
- the amount of the capital increase may be limited to the amount of subscriptions, on the dual condition that such subscriptions cover at least 3/4 (three quarters) of the increase agreed upon, and that such option had been expressly provided for by the General Meeting during the issuance

(2) The Board of Directors may, in the order that it deems necessary, use the options provided for above or some of them only.

(3) Capital increase shall be deemed not to have been effected where, after these options have been used, the amount of subscriptions does not cover the entirety or 3/4 (three quarters) of the capital increase in the first case provided for above.

The time-limit granted to the State as shareholder to exercise the right to subscribe shall not be less than 20 (twenty) days with effect from the date of opening of subscription. Such time-limit shall expire before the due date once all subscription rights have been exercised or once the capital increase has been entirely subscribed



**ARTICLE 26:** The share subscription contract shall be evidenced by a subscription form drawn up in accordance with the laws and regulations in force. It shall be dated and signed by the subscriber. However, the subscription form shall not be required from credit establishments and corporations which have been duly authorized to carry out subscription, after providing evidence of such authorization.

**ARTICLE 27:** (1) Funds derived from subscriptions in cash shall be deposited under the conditions laid down by law. Subscriptions and payments shall be established by a depositary's certificate prepared at the time of deposit of funds, on presentation of subscription forms.

(2) Funds derived from subscriptions in cash may be withdrawn by an authorized representative of SONAMINES following issuance of the depositary's certificate.

**ARTICLE 28:** The paying up of shares through offset with liquid and due claims on SONAMINES shall be evidenced by the auditor's certificate. Such certificate shall serve as the depositary's certificate.

**ARTICLE 29:** The Extraordinary General Meeting may decide on the issuance of shares for cash to be allotted free of charge to the State by incorporation of profits, reserves and share premiums into the capital.

**ARTICLE 30:** (1) In case of contribution in kind, one or more auditors shall be appointed by the General Meeting holding in extraordinary session, at the request of the Board Chairperson, the General Manager or, as the case may be, the competent court of the place where the corporation's head office is located.

(2) Their report shall be submitted to the General Manager and made available to the representative of the State shareholder at the head office at least 8 (eight) days prior to the date of the Board meeting.

(3) The same report shall also be sent directly to the General Meeting for approval.

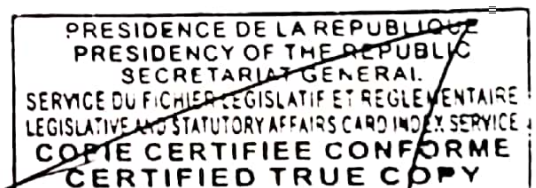
(4) The General Meeting shall approve the assessment of reports and establish the capital increase. Otherwise, the capital increase will not be effected.

**ARTICLE 31:** Capital increase shall be published in accordance with the formalities provided for by law.

#### **IV- CAPITAL REDUCTION**

**ARTICLE 32:** (1) Capital reduction shall be authorized or decided on by the General Meeting in an extraordinary session, which may delegate all its powers in this respect to the Board of Directors.

(2) Capital may be reduced through a reduction of the number of shares or of their nominal value.



**ARTICLE 33:** (1) The auditor shall be informed of the intended capital reduction at least 45 (forty-five) days before the Board meeting convened to deliberate thereon.

(2) The Board of Directors shall discuss the report of the auditors who shall opine on the causes and conditions of the reduction.

(3) Where the Board of Directors carries out capital reduction upon the authorization of the General Meeting, it shall prepare a report thereon for publication, and amend the Articles of Association accordingly.

**ARTICLE 34:** (1) In accordance with the laws and regulations in force, creditors and bondholders may oppose the reduction, where this is not due to losses.

(2) Reduction operations shall not start during the opposition time-limit, where the matter had been referred to court before a ruling had been made on the opposition in the court of first instance.

(3) Where the judge admits the opposition, the capital reduction procedure shall be interrupted forthwith pending sufficient guarantees or reimbursement of claims.

(4) Where the judge dismisses the opposition, reduction operations shall commence forthwith.

**ARTICLE 35:** It shall be forbidden for SONAMINES to subscribe and purchase its own shares directly or through a person acting in his/her own name, but on behalf of SONAMINES. However, the General Meeting which has decided on capital reduction not due to losses may authorize the Board of Directors to purchase a given number of shares in order to cancel them under the conditions provided for by the regulations in force.

**ARTICLE 36:** The State as owner or, in case of capital increase, Board members shall be bound to pay up shares that have been subscribed or acquired by SONAMINES in violation of the prescribed provisions.

**ARTICLE 37:** It shall be forbidden for SONAMINES to pawn its own shares directly or through a person acting in his/her own name, but on behalf of SONAMINES.

**ARTICLE 38:** Capital reduction below the legal minimum may be decided on only under the suspensive condition of capital increase intended to raise it to an amount at least equal to that figure.

## **V- CAPITAL REDEMPTION**

**ARTICLE 39:** Capital depreciation shall be decided by the Ordinary General Meeting, in accordance with law No. 2017/11 of 12 July 2017 to lay down the general rules and regulations for public corporations.



## VI- LOSS OF SECURITIES

**ARTICLE 40:** (1) In case of loss of a registered security, the minister in charge of finance shall, through an extrajudicial document, notify SONAMINES at its head office. The Board of Directors shall make the notification public through a notice inserted, within 8 (eight) days, in any legal notices newspaper of the area of location of the head office.

(2) Within 6 (six) months of the notification, the holder may not claim payment of any interest or dividend. Where the security is not found within the 6 (six) months, another security marked "duplicate" shall be issued to the claimant, for which he shall be issued a receipt which cancels the former security. He shall be paid interests and dividends in arrears which shall be indicated on the security.

**ARTICLE 41:** The Board of Directors may require a guarantee prior to the issuance of new securities and the payment of interests or dividends.

(2) The cost of notification of loss to the corporation and all other expenses shall be borne by the holder.

## VII- SHAREHOLDINGS, LOANS AND TRANSFERS OF SHARES

**ARTICLE 42:** The terms and conditions for acquiring shares, granting loans, guarantees and endorsements, and in particular the limits of its interventions determined by type of enterprise and sector of activity, as well as those for the provision of services to third parties, shall be determined by the Board of Directors of SONAMINES.

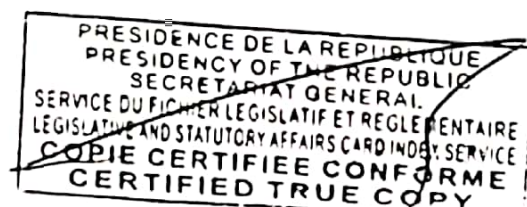
**ARTICLE 43:** The transfer of shares held by SONAMINES in other companies shall be carried out in accordance with the laws and regulations in force regarding the privatization of public and para-public sector companies.

## CHAPTER III OBLIGATIONS OF SONAMINES AND POWER TO COMPROMISE

**ARTICLE 44:** (1) SONAMINES may contract loans by issuing bonds with or without guarantee or lien on movable property forming part of its corporate assets, and with or without mortgage on its buildings.

Loans in the form of new bonds, negotiable bonds, vouchers, pawned or not, shall be decided by the Board of Directors. Such decision shall be endorsed by resolution of the General Meeting.

**ARTICLE 45:** (1) SONAMINES shall have powers to negotiate and to compromise, in particular with regard to international contracts and agreements.



(2) It may become member and elect members of the Chamber of Commerce, and its representatives shall be eligible for election to any position in the Chamber of Commerce.

**ARTICLE 46:** (1) SONAMINES must be enrolled in the Trade and Investment Credit Register.

(2) SONAMINES shall be subject to the tax and customs regime under ordinary law, unless expressly exempted by the laws or regulations in force.

#### **CHAPTER IV** **MANAGEMENT ORGANS OF SONAMINES**

**ARTICLE 47:** (1) The management organs of SONAMINES shall comprise the following:

- General Meeting;
- Board of Directors;
- Management.

#### **I- GENERAL MEETING**

**ARTICLE 48:** The General Meeting of SONAMINES shall comprise 5 (five) members.

It shall be composed as follows:

**Chairperson:** representative of the Ministry in charge of finance;

**Members:**

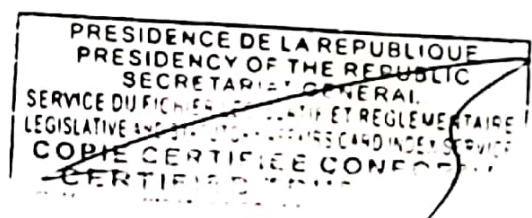
- representative of the Presidency of the Republic;
- representative of the Prime Minister's Office;
- representative of the Ministry in charge of mines;
- representative of the Ministry in charge of economy

**ARTICLE 49:** Members of the General Meeting of SONAMINES shall be designated for a three-year period, renewable once, on the proposal of the ministries concerned.

**ARTICLE 50:** (1) The members of the General Meeting shall benefit from working facilities and may be entitled to reimbursement of expenses incurred during General Meeting sessions.

(2) The terms and conditions of application of the provisions of (1) above shall be determined by the Ordinary General Meeting.

**ARTICLE 51:** The Chairperson of the Board of Directors shall attend General Meeting sessions in an advisory capacity. He shall report on agenda items.



PARAGRAPH I  
ORDINARY GENERAL MEETING

**ARTICLE 52:** In discharging its duties, the Ordinary General Meeting shall be competent to:

- approve the summary financial statements of the financial year;
- decide on the appropriation of income for the financial year under pain of nullity of any contrary decision. It shall apply to at least 1/10 (one-tenth) of profits for the financial year, less past losses, where applicable, shall be allocated for the formation of a "legal reserve" fund. Such appropriation shall cease to be mandatory where the reserve reaches 1/5 (one-fifth) of the registered capital;
- appoint the auditor(s);
- approve or reject agreements concluded between corporate managers and SONAMINES;
- issue bonds;
- approve the Auditor's report;
- fix the amount of the sitting allowance and the monthly allowance of the Board Chairperson;
- allocate to Board members, in remuneration for their duties and according to the corporation's performance, a fixed annual allowance that it shall freely determine.

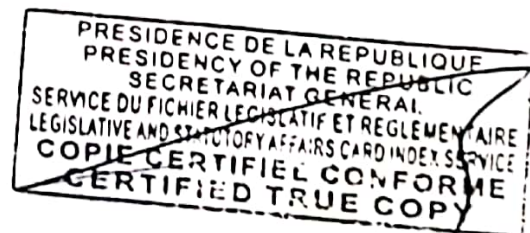
**ARTICLE 53:** The Ordinary General Meeting shall be held at least once a year within 6 (six) months of the end of the financial year, when convened by its Chairperson.

**ARTICLE 54:** The Ordinary General Meeting may not validly conduct business unless 4/5 (four fifths) of its members are present. The representatives of the technical and financial supervisory authorities must be present.

**ARTICLE 55:** Decisions of the Ordinary General Meeting shall be taken by a 3/5 (three-fifths) majority of members present.

**ARTICLE 56:** (1) The Extraordinary General Meeting may, on the proposal of the Board of Directors, amend the corporation's Articles of Association.

(2) The amendment of the Articles of Association referred to in (1) above must be approved under the same conditions as for their adoption.



PARAGRAPH II  
EXTRAORDINARY GENERAL MEETING

**ARTICLE 57:** (1) The Extraordinary General Meeting shall be held when convened by its Chairperson or at the request of 1/3 (one third) its members whenever necessary.

(2) Otherwise, it may be held at the request of:

- the Auditor, following his unsuccessful request for the convening of the Board of Directors;
- the Liquidator;
- a representative designated by the President of the competent court through an emergency ruling, when seized by any interested party in case of an emergency;
- the single shareholder.

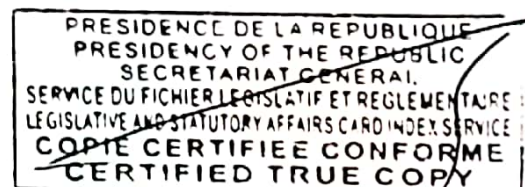
(3) The Extraordinary General Meeting may not validly deliberate unless 4/5 (four fifths) of its members are present. The representatives of the technical and financial supervisory authorities must be present.

(4) Decisions of the Extraordinary General Meeting shall be taken by a 4/5 (four-fifths) majority of members.

**ARTICLE 58:** The Extraordinary General Meeting shall also be competent to:

- authorize mergers, splits, transformation and partial contribution to assets, subject to compliance with the regulations on privatization;
- as appropriate, decide on capital increase based on the report of the Board of Directors and the Auditor, in accordance with the provisions of the OHADA Uniform Act Relating to Commercial Companies and Economic Interest Groups;
- authorize capital reduction or delegate to the Board of Directors all the powers required to that end, in accordance with the provisions of the OHADA Uniform Act Relating to Commercial Companies and Economic Interest Groups;
- ratify the decision to transfer the head office to another location of the national territory, if need be;
- dissolve SONAMINES before the due date or extend the duration thereof.

**ARTICLE 59:** The Extraordinary General Meeting may not validly deliberate unless 4/5 (four fifths) of its members are present. The representatives of the technical and financial supervisory authorities must be present.



**ARTICLE 60:** Decisions of the Extraordinary General Meeting shall be taken by a 4/5 (four-fifths) majority of members.

PARAGRAPH III  
CONVENING OF GENERAL MEETINGS

**ARTICLE 61:** (1) Ordinary and Extraordinary Meetings shall be convened by telex, telegram, fax or any other means leaving a paper trail, addressed to the representatives of the single shareholder at least 15 (fifteen) days prior to the date of the meeting. The convening letters shall state the meeting agenda and venue.

(2) The time limit provided for in (1) above may be reduced to 6 (six) days in case of an emergency.

II. BOARD OF DIRECTORS

**ARTICLE 62:** (1) The Board of Directors of SONAMINES shall be composed of a college of 12 members.

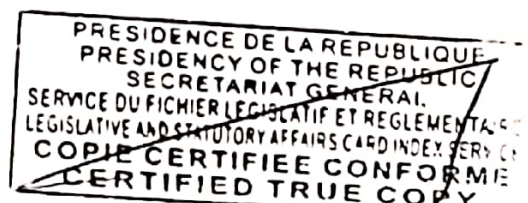
(2) In addition to the Chairperson, the Board of Directors shall comprise the following:

- one representative of the Presidency of the Republic;
- one representative of the Prime Minister's Office;
- one representative of the ministry in charge of finance;
- one representative of the ministry in charge of mines;
- one representative of the ministry in charge of economy;
- one representative of the ministry in charge of environment;
- one representative of the ministry in charge of scientific research;
- one representative of the ministry in charge of land tenure;
- one representative of the ministry in charge of transport;
- one representative of the ministry in charge of trade,
- one peer-elected staff representative.

**ARTICLE 63:** Members of the Board of Directors shall be appointed by decree of the President of the Republic, on the recommendation of the ministries concerned, at the behest of the minister in charge of mines.

PARAGRAPH I  
INCOMPATIBILITIES

**ARTICLE 64:** The duties of Chairperson and Member of the Board of Directors of SONAMINES shall be incompatible with those of Member of Parliament, Legal/Judicial Officer serving in a court or member of the Constitutional Council.



**ARTICLE 65:** SOMANIMES Board Members with direct or indirect interests in a case involving the corporation, with the exception of an employment contract for the staff representative Board Member, shall be bound to inform the Board of Directors.

**ARTICLE 66:** (1) Board Members, the General Manager and Assistant General Manager, as well as their spouses, ascendants or descendants and through other third parties shall, under pain of nullity, be forbidden to contract, in any form whatsoever, loans from SONAMINES, to have it grant them a current account overdraft or otherwise, and to have SONAMINES provide security or guarantee for their commitments towards third parties.

(2) The prohibition referred to above shall not apply to a corporate body, member of the Board of Directors. However, where the representative of the corporate body is acting on a personal basis, he shall also be subject to the provisions of (1) above.

**ARTICLE 67:** The Board Chairperson shall be elected by Board Members at a 2/3 (two-thirds') majority of members present or represented.

**ARTICLE 68:** The instrument to appoint Board Members shall be entered in the Trade and Personal Property Credit Register.

PARAGRAPH II  
TERM OF OFFICE OF BOARD MEMBER

**ARTICLE 69:** (1) The term of office of Board Member shall be 3 (three) years, renewable once.

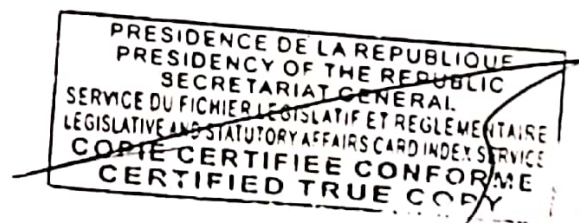
(2) The renewal provided for in (1) above shall be tacit.

**ARTICLE 70:** (1) A board member's term of office shall end:

- at its normal expiry;
- following the loss of the capacity that prompted the appointment;
- by termination due to gross misconduct or activities incompatible with the duty of board member;
- following permanent disability established by the Board of Directors;
- upon death or resignation;
- following dissolution or transformation of SONAMINES.

(2) In the cases provided for in (1) above, the Board Member shall be replaced under the same conditions as those of his appointment.

(3) Except in the case of death or cessation of duty, the duties of board member shall terminate at the end of the Ordinary General Meeting which endorsed the accounts of the previous financial year and which was held in the year during which the term of office of the said member ended.



**ARTICLE 71:** The term of office of the Board Chairperson may not exceed his term as Board Member.

PARAGRAPH III  
REMUNERATION

**ARTICLE 72:** (1) The duties of Board Member shall be honorary. However, Board Members shall be granted sitting allowances and may be entitled to reimbursement of expenses incurred during Board meetings, upon presentation of supporting documents.

(2) The Board of Directors may grant its members an end-of-term bonus whose amount shall be capped at double their sitting allowance.

**ARTICLE 73:** (1) The Board Chairperson shall receive a monthly allowance and benefits.

(2) The monthly allowance, duty allowances and benefits of the Board Chairperson, as well as the duty allowances of Board members shall be fixed by the General Meeting, on the recommendation of the Board of Directors.

(3) The amount of the duty allowance referred to in (1) and (2) above shall be fixed by the General Meeting, subject to the special provisions of the regulations in force.

**ARTICLE 74:** (1) SONAMINES Board of Directors may grant special payments to its members for duties and assignments entrusted to them, or authorize refund of travel expenses incurred in the interests of SONAMINES.

(2) The special payments referred to in (1) above shall be fixed by the General Meeting, subject to the special provisions of the regulations in force.

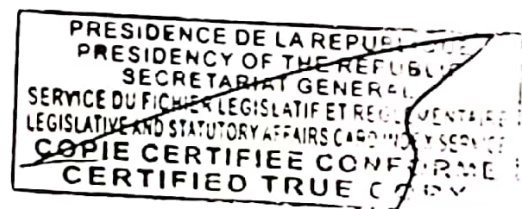
PARAGRAPH IV  
BOARD OF DIRECTORS MEETINGS AND DELIBERATIONS

**ARTICLE 75:** (1) The Board of Directors shall meet as and when necessary, when convened by the Chairperson.

(2) Where necessary, 1/3 (one third) of Board Members may convene a board meeting to discuss a specific agenda. In case of refusal or silence by the Board Chairperson, the Board Members concerned shall send a new request to the minister in charge of finance, who will convene the Board of Directors under the same formal rules and time limit.

**ARTICLE 76:** (1) The Board Chairperson of SONAMINES shall chair Board meetings.

(2) He must ensure that the Board supervises the management of the corporation entrusted to the General Manager.



**ARTICLE 77:** At any moment during the year, the Board Chairperson shall conduct audits he deems appropriate and may request from the General Manager, who shall be bound to comply, all documents deemed useful for his duties.

**ARTICLE 78:** The General Manager shall provide secretarial services during SONAMINES Board meetings.

**ARTICLE 79:** (1) The minutes of meetings shall be recorded in a special register kept at the head office, serialized and initialled by the President of the competent court of first instance. They shall mention the members present or represented.

(2) They shall be read and adopted by the Board of Directors at the next meeting.

(3) They shall be co-signed by the Board Chairperson or, where applicable, the pro tem Chairperson and Secretary.

(4) The minutes referred to in (1) above shall mention the date and venue of Board meetings and state the name of Board Members present, represented, absent or not represented.

(5) Sufficient justification shall be given for the number of current Board Members as well as their presence or representation at the Board meeting, with the production of a copy or excerpts of the minutes.

(6) During liquidation of SONAMINES, the said copies or excerpts shall be validly certified by the Liquidator.

**ARTICLE 80:** The Board of Directors of SONAMINES shall meet as and when necessary, when convened by the Chairperson.

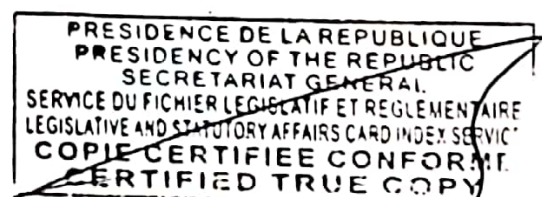
**ARTICLE 81:** Where necessary, 1/3 (one third) of Board Members of SONAMINES may convene a board meeting to discuss a specific agenda, where the Board had not met for more than 2 (two) months.

**ARTICLE 82:** (1) Meetings shall be convened by email, telex, telegram or fax, confirmed by registered letter or any other means leaving a paper trail, sent to Board Members at least 15 (fifteen) days before the scheduled date of the meeting.

(2) The convening notices referred to in (1) above shall indicate the agenda, date and venue of the meeting.

(3) In the event of an emergency, the time-limit referred to in (1) above may be reduced to 5 (five) days.

**ARTICLE 83:** (1) Board meetings shall be held at the head office. Board meetings may be held at any other venue as agreed by the majority of Board Members.



(2) Board meetings shall be chaired by the Chairperson or, where the latter is unavoidably absent, by a member appointed either by the Chairperson or by the Board to do so.

**ARTICLE 84:** (1) Any Board Member unavailable may give proxy to another member by letter, fax or email to represent him at a Board meeting.

(2) No Board Member may bear more than one proxy during a Board meeting.

**ARTICLE 85:** The Board of Directors may deliberate validly only when at least ½ (half) of its members are present. All provisions repugnant hereto shall be deemed to be unwritten.

**ARTICLE 86:** (1) Board decisions shall be taken by a majority of members present or represented. In the event of a tie, the Chairperson shall have the casting vote.

(2) Any decision taken in violation of the provisions of this Article shall be null and void.

**ARTICLE 87:** Board Members, as well as any person invited to participate in Board meetings, shall be bound to exercise discretion with respect to confidential information and described as such by the pro tem chairperson.

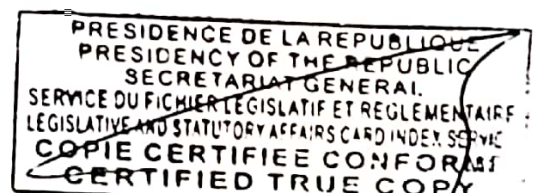
**ARTICLE 88:** (1) The Board of Directors may decide to set up internal committees or commissions composed of Board Members, to handle issues relating to its missions. It shall lay down the composition and duties of the said committees and commissions whose members shall carry out their activities under its control.

(2) The Committees or Commissions referred to in paragraph (1) above, may invite any natural or legal person, by virtue their expertise, to take part in their deliberations.

**ARTICLE 89:** (1) The Board of Directors shall have the widest powers to act on behalf of SONAMINES.

(2) It shall exercise the powers below within the limits of SONAMINES' corporate purpose, subject to the powers expressly attributed by the OHADA Uniform Act Relating to the Law on Commercial Companies and Economic Interest Groups:

- define SONAMINES' general policy;
- set the objectives and approve the programmes of action of SONAMINES, in accordance with general objectives of the sector concerned;
- evaluate the management of SONAMINES;
- adopt the budget and approve the accounts and financial statements as well as progress reports;

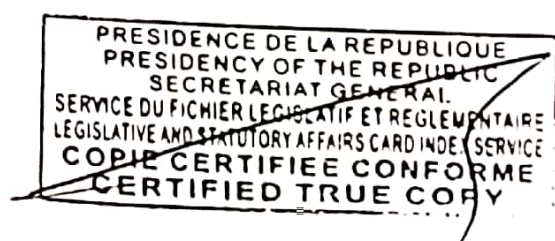


- appoint and dismiss the Board Chairperson, the General Manager and the Deputy General Manager;
- adopt the organization, by-laws, salary scale and staff benefits prepared by the General Management;
- appoint SONAMINES' representatives to Annual General Meetings and to the Board of Directors of other corporations;
- authorize the recruitment of all staff, in accordance with the performance plan proposed by the General Manager and validated by the Board;
- authorize the dismissal of any staff member, on the recommendation of the General Manager;
- on the recommendation of the General Manager, make appointments to duty posts to the ranks of sub-director, Director and persons ranking as such;
- accept all gifts, legacies and subsidies;
- appoint Study Committee members;
- share Board attendance allowances;
- authorize suretees, endorsements, guarantees on first demand subscribed by SONAMINES for third-party commitments;
- authorize first-demand securities, sureties and guarantees subscribed by SONAMINES for commitments made by third parties;
- approve the performance contracts or any other conventions, including loans prepared by the General Manager and having repercussions on the budget;
- authorize participation in associations, groups or other bodies, as well as the setting up of branches whose activity is necessarily related to the missions of the enterprise;
- authorize any alienation of movable or immovable, tangible or intangible property, in accordance with the law in force and upon approval by the Minister in charge of finance, the Minister in charge of mines, or any other relevant government service, subject to the law on privatization;
- authorize the taking of movable and immovable guarantees, in particular, mortgages and pledges on the corporation's assets that are not part of the private and public property of the State and its branches;
- fix the salary of the General Manager and the Deputy General Manager, in accordance with the ceiling set by the regulations in force.

(3) The recruitment plan referred to in paragraph 2 above shall include the identification of staffing needs, the profile and qualification of the positions to be filled, job description, a retirement forecast table and information on vacancies.

(4) The approval by the Board of Directors of the recruitment plan referred to in paragraph 1 above shall be considered as an authorization to recruit.

(5) The Board of Directors may delegate some of its powers to the General Manager.



### III. MANAGEMENT

**ARTICLE 90:** The Management of SONAMINES shall be under the authority of a General Manager assisted by a Deputy General Manager, both appointed on the basis of their competence, by the Board of Directors by a 2/3 (two-thirds) majority of its members, on the recommendation of the State as sole shareholder.

**ARTICLE 91:** The General Manager shall ensure the administrative, technical and financial management of SONAMINES.

**ARTICLE 92:** (1) The General Manager and Deputy General Manager shall be appointed for a term of 3 (three) years, renewable twice.

(2) In any case, the cumulative terms of the General Manager or Deputy General Manager may not exceed 9 (nine) years.

(3) The renewal provided for in paragraph 2 above shall be tacit.

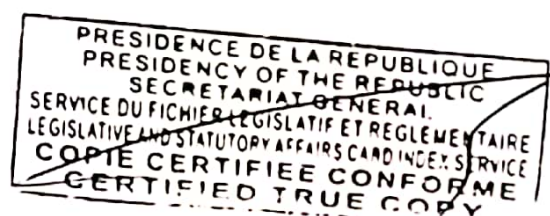
**ARTICLE 93:** The duties of the General Manager and the Deputy General Manager shall end:

- upon the normal expiry of the term of office;
- by termination due to gross misconduct or activities incompatible with the duty of General Manager or Deputy General Manager;
- upon death or resignation;
- following permanent disability established by the Board of Directors;
- following the dissolution or transformation of the Corporation.

**ARTICLE 94:** (1) The General Manager shall be responsible for the management and implementation of the general policy of SONAMINES, under the supervision of the Board of Directors to which he shall report on his management.

As such, the General Manager shall be responsible, inter alia, for:

- preparing the budget, for which he shall be the chief authorizing officer, annual financial statements and progress reports;
- submitting draft organization charts and internal regulations as well as he salary scale and personnel benefits to the Board of Directors;
- preparing the deliberations of the Board of Directors, participating in an advisory capacity in its meetings, and implementing its decisions;
- ensuring the technical, administrative and financial management of the corporation;
- recruiting, appointing, assessing and laying off staff members, in accordance with the provisions of Article 31 above, fixing their remuneration and benefits in compliance with the regulations in force, the internal rules and regulations, budget estimates and the deliberations of the Board of Directors;



- proposing propose to the Board of Directors the internal organization of the corporation and possibly the setting up of a works committee to regulate labour relations within the corporation;
- managing the movable and immovable property, tangible and intangible assets of SONAMINES, in accordance with its corporate purpose and the provisions of Article 31 above;
- in case of emergency, taking all the precautionary measures required for the smooth functioning of SONAMINES and reporting thereon to the Board of Directors;
- making settlements and compromises and reporting thereon to the Board of Directors;
- signing all contracts and special agreements;
- examining all issues relating to the proper administration of SONAMINES and proposing solutions to the Board of Directors for approval;
- representing SONAMINES in acts of civil life and in court.

(2) The General Manager may delegate some of his powers.

**ARTICLE 95:** The General Manager shall be the authorizing officer of the budget of SONAMINES.

In this capacity, he shall:

- represent it in all acts of civil life and in court;
- award contracts and place orders in compliance with the regulations in force;
- commit, validate and pay expenditures within the framework of approved budgets and undertake all corresponding measures;
- receive bills and receipts;
- ensure the recovery of all debts owed the port and issue all receipts and bills;
- ensure the recovery of all debts owed SONAMINES and issue all receipts and bills;
- ensure the contracting of loans and management of funds as well as the functioning of the cash flow;
- represent SONAMINES in all commercial transactions and in all enterprises, ministries as well as public and private service;
- consent to, transfer or cancel all leases and rental agreements without promise of sale;
- authorize the sale of refurbished equipment upon the authorization of the Board of Directors;



- be entitled to delegate some of his powers to the Deputy General Manager or one of his collaborators.

**ARTICLE 96:** The duties of General Manager and Deputy General Manager shall terminate as a result of:

- the normal end of the term of office;
- dismissal for gross misconduct or acts incompatible with the office of General Manager or Deputy General Manager;
- death or resignation;
- permanent incapacity duly established by the Board of Directors;
- dissolution of SONAMINES.

**ARTICLE 97:** (1) The General Manager or Deputy General Manager shall be answerable to the Board of Directors which may impose sanctions on them in the event of serious mismanagement or behaviour likely to affect the smooth functioning or image of SONAMINES.

(2) For the purposes of Paragraph (1) above, the Chairperson of the Board of Directors shall be bound to convene an extraordinary Board meeting during which the General Manager or Deputy General Manager shall be heard.

(3) The extraordinary Board session convened to this end may validly deliberate only if at least 2/3 (two thirds) of Board members are present. Representation shall not be allowed in this case.

**ARTICLE 98:** (1) The Board of Directors may impose the following sanctions on them:

- suspension of some powers;
- suspension from duty for a limited period, with immediate effect;
- dismissal.

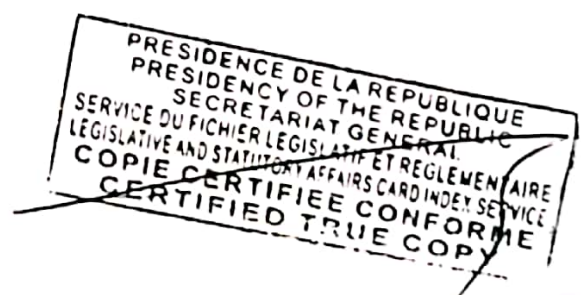
(2) For any of the cases provided for above, the Board of Directors shall take necessary measures to ensure the smooth running of SONAMINES.

(3) Decisions of the Board of Directors shall be taken by:

- unanimity of the members present, in case of dismissal;
- 2/3 (two-thirds) majority for the other sanctions.

(6) The decisions of the Board of Directors shall then be forwarded to the Minister in charge of mines.

**ARTICLE 99:** (1) Where the General Manager is temporarily unavailable for a period of no more than 6 (six) months, the Board of Directors shall designate the Deputy General Manager to deputize.



(2) Where the post of Deputy General Manager is not provided for, the Board of Directors shall appoint a senior officer of the corporation to act as interim manager.

(3) Where the General Manager is permanently unavailable, irrespective of the cause, the Board of Directors shall immediately replace him within a period of no more than 1 (one) month.

## CHAPTER V FINANCIAL PROVISIONS AND AUDITS

### I. FINANCIAL PROVISIONS

**ARTICLE 100:** The resources of SONAMINES shall include:

- proceeds from service delivery;
- proceeds from the disposal of some of its property;
- loans, credit facilities and discounts;
- income from shareholding and investments;
- revenue from the investment of managed resources;
- miscellaneous contributions;
- resources derived from cooperation and partnerships;
- gifts and legacies;
- any other resources allocated to it by the laws and regulations in force.

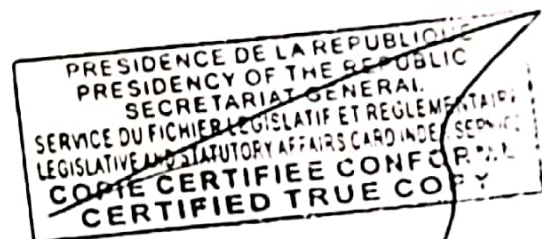
**ARTICLE 101:** (1) The financial resources of SONAMINES shall be public funds. They shall be managed in accordance with the rules applicable to commercial companies.

(2) However, resources from cooperation and partnerships shall be managed in accordance with the conditions set forth in the conventions and agreements relating thereto.

**ARTICLE 102:** The draft budget of SONAMINES shall be prepared by the General Manager and approved by the Board of Directors before the commencement of each financial year.

**ARTICLE 103:** Each year, alongside the budget, the General Manager shall prepare, for approval by the Board of Directors, a programme of activities outlining the objectives and expected results during the financial year.

**ARTICLE 104:** Where, in the course of the financial year, it appears that budget projections would not be realized due to either an increase in expenditure or a decrease in income, the General Manager shall contact the Board of Directors as soon as possible so that all measures likely to restore the financial balance of the financial year concerned may be taken.



**ARTICLE 105:** (1) The financial statements of SONAMINES shall be adopted by the Board of Directors, audited by the Auditor(s) and finally approved by the General Meeting within 6 (six) months of the close of the financial year.

(2) Together with the management report of the Board of Directors and the auditors' report addressed to the General Meeting, they shall be forwarded to the minister in charge of finance, for information.

**ARTICLE 106:** The Management of SONAMINES shall be bound to publish, at least once a year, a briefing note on the situation of its assets, liabilities and annual accounts in a legal notices newspaper and in the national press.

## II – EXTERNAL AUDITORS

**ARTICLE 107:** The duties of external Auditor shall be performed in accordance with the OHADA Uniform Act relating to Commercial Companies and Economic Interest Groups.

**ARTICLE 108:** (1) The Ordinary General Meeting of SONAMINES shall appoint a substantive External Auditor and an alternate External Auditor, both approved by the National Order of Chartered Accountants of Cameroon, for a three-year term of office renewable once.

(2) The External Auditors referred to in (1) above shall be appointed following a selection process based on a call for candidates conducted by the General Manager.

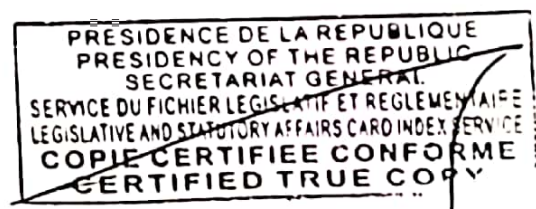
**ARTICLE 109:** Where the Auditor is found wanting during his term of office, he shall be replaced. The new auditor shall complete such term.

**ARTICLE 110:** The Auditor and his staff, whom he shall introduce in person to SONAMINES, and who shall have the same investigative rights, shall be bound by professional secrecy with respect to any facts, acts and information they may become privy to during the performance of their duties.

**ARTICLE 111:** (1) The statutory duty of the Auditor, excluding any form of interference in management, shall be to verify the accounting values and documents of SONAMINES and to ascertain that the corporation's accounting procedures are compliant with the rules in force.

(2) The Auditor shall certify that the financial statements are regular, accurate and give a true and fair view of the operating results of the previous financial year and of the financial situation and assets of SONAMINES at the end of the said financial year.

(3) The Auditor shall verify the accuracy of the information contained in the management report of the Board of Directors as the case may be, and in documents on the financial situation and the financial statements of SONAMINES sent to the Board of Directors, and the consistency thereof with the



financial statements. He shall record his observations in his report to the General Meeting.

(4) The Auditor may access any document relating to his mission, regardless of its whereabouts.

(5) Moreover, the Auditor may request any information, for the purposes of his mission, from third parties who have performed duties for SONAMINES. However, the scope of such right to information shall not cover the production of any deed, contract and document in the keeping of third parties, save where the Auditor is so authorized by decision of a competent court rendered following summary proceedings.

**ARTICLE 112:** (1) At the request of the Board Chairperson, the Auditor shall present his report at Board meetings convened to adopt accounts and balance sheets.

(2) The report shall be made available to the Board Chairperson prior to the Board meeting to adopt the accounts for the financial year and shall focus on:

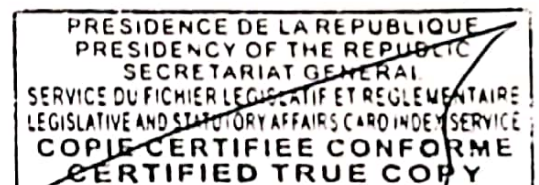
- the audits and checks conducted and the various research actions undertaken as well as the findings thereof;
- the sections of the balance sheet and other accounting documents deemed reviewable, by making useful comments on the evaluation methods used to produce such documents;
- any irregularities and inaccuracies found;
- the conclusions arising from the abovementioned comments and corrections regarding the profits for the financial year compared to those of the previous financial year.

(3) The Auditor shall submit a general report on the accounts and a special report on the conformity of management decisions, at least once a year, to the management organs of SONAMINES and the minister in charge of finance.

**ARTICLE 113:** (1) In his report to the Ordinary General Meeting, in light of the supporting documents obtained, the Auditor shall:

- either conclude that the financial statements are regular, accurate and give a true and fair view of the operating results of the financial year ended as well as of the financial situation and assets of SONAMINES at the end of that year; or
- issue with supporting reasons, a qualified or adverse opinion or a disclaimer of opinion.

(2) At the next General Meeting, the Auditor must report any misrepresentations and inaccuracies found during the audit.



(3) Any decision taken at a General Meeting held without submission to the General Meeting of the reports expected from the external auditor in accordance with the OHADA Uniform Act relating to Commercial Companies and Economic Interest Groups, shall be null and void. Such decisions may be cancelled where the report submitted does not contain all the information required.

(4) The action for annulment shall be dropped where the decisions are explicitly confirmed by a General Meeting session devoted to the report of the duly designated Auditor.

**ARTICLE 114:** The Auditor may, at any time during the financial year, conduct any checks and verifications he deems necessary, and may request to be handed over to him on the spot, any document he deems useful for his mission, in particular contracts, records, accounting documents and minute registers.

**ARTICLE 115:** The duties of Auditor shall be incompatible with:

- any activity or any act likely to undermine his independence;
- any paid employment, even on an ad hoc basis, within the corporation. That notwithstanding, the Auditor may teach/deliver lectures on a subject relating to his profession; and
- any commercial activity, conducted either directly or through a third party.

**ARTICLE 116:** Besides the open-ended incompatibilities listed in Article 113 above, the Auditor shall remain subject to the special incompatibilities provided for in the OHADA Uniform Act relating to Commercial Companies and Economic Interest Groups.

**ARTICLE 117:** (1) The Auditor's fees shall be fixed by the Ordinary General Meeting of SONAMINES.

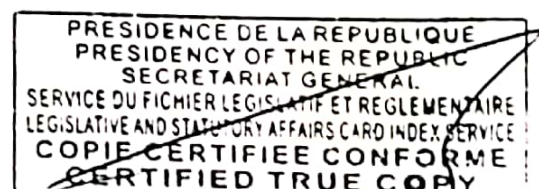
(2) The audit fee amount shall be fixed globally, irrespective of the number of auditors to share such fees.

**ARTICLE 118:** The travel and boarding expenses incurred by the Auditor in the performance of his duties shall be charged to SONAMINES.

**ARTICLE 119:** The General Meeting may grant a special remuneration to the Auditor, where the latter:

- carries out an additional professional duty abroad on behalf of the corporation;
- performs the specific duties of reviewing the accounts of companies in which SONAMINES holds a share or plans to acquire shares;
- performs temporary tasks assigned to him by SONAMINES at the request of a government official.

**ARTICLE 120:** (1) The accounting evaluation procedures and methods of SONAMINES shall be developed in accordance with the laws, regulations and practices governing limited liability companies.



(2) SONAMINES shall remain subject to controls by the competent State bodies, in accordance with the laws and regulations in force.

**ARTICLE 121:** (1) Annual accounts shall be prepared every financial year according to the same evaluation methods as those of preceding years, save in case of an exceptional change in the situation of SONAMINES.

(2) In case of such exceptional change, any modification must be described and justified in the annex. It must also be specified in the management report of the Board of Directors and in the Auditor's general report.

## CHAPTER VI STAFF

**ARTICLE 122:** The following may form part of the staff of SONAMINES:

- staff recruited directly by SONAMINES;
- civil servants on secondment;
- State employees governed by the Labour Code placed at the disposal of SONAMINES; and
- seasonal, occasional and temporary staff, whose recruitment, remuneration and termination conditions are laid down in the Staff rules and regulations.

**ARTICLE 123:** Civil servants on secondment and State employees falling under the Labour Code placed at the disposal of SONAMINES shall, throughout their employment, be governed by labour laws, subject to the provisions of the General Rules and Regulations Governing the Public Service and special regulations relating to retirement, advancement, end of secondment, end of placement on reserve and payment of retirement benefits.

**ARTICLE 124:** (1) Irrespective of original status, civil servants on secondment and State employees governed by the Labour Code placed at the disposal of SONAMINES shall be paid in full by SONAMINES.

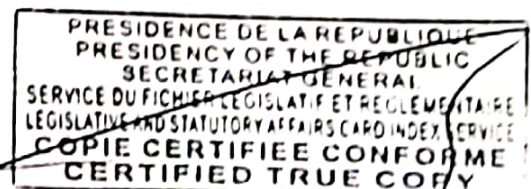
(2) The payment referred to in paragraph (1) above shall concern salaries and incidentals, allowances, bonuses and other benefits granted by SONAMINES.

**ARTICLE 125:** (1) The civil and/or criminal liability of SONAMINES staff shall be governed by ordinary law rules.

(2) Disputes between the staff and SONAMINES shall fall under the jurisdiction of ordinary law courts.

## CHAPTER VII FINANCIAL YEAR – PROFITS AND RESERVES

### I - FINANCIAL YEAR AND ANNUAL ACCOUNTS



**ARTICLE 126:** (1) The corporation's financial year shall run from 1 January to 31 December of the same year.

(2) Exceptionally, SONAMINES' first financial year shall run from the day of its final incorporation to the end of the financial year.

**ARTICLE 127:** Every year, in accordance with the law:

- an inventory shall be made stating the assets and liabilities of SONAMINES, showing the various items of corporate assets undergoing depreciation as determined by the Board of Directors;
- a statement of the assets and liabilities of SONAMINES shall be prepared; and
- a profit and loss account shall be prepared showing the results of each financial year.

**ARTICLE 128:** The inventory, balance sheet, profit and loss account and the report of the Board of Directors shall, under the legal conditions and within time-limit, be placed at the disposal of the Auditors, and communicated to the General Meeting.

## **II - FINANCIAL STATEMENTS**

### **PARAGRAPH I** **FIXING AND APPROPRIATION OF PROFIT**

**ARTICLE 129:** (1) Net annual profits shall mean the proceeds of SONAMINES, as established by the general operating account, less general expenses and other corporate charges, as well as all depreciation of corporate assets and provisions for industrial and commercial risks decided upon by the Board of Directors and the General Meeting.

(2) Profit appropriation shall be subject to the prior approval of the President of the Republic.

**ARTICLE 130:** Under pain of nullity of any deliberation, a net deduction of at least 10% (ten per cent) allocated to the formation of a legal reserve fund shall be effected on the net profit of the financial year. Such deduction shall end when the reserve reaches 20% (twenty per cent) of the registered capital.

**ARTICLE 131:** All reserves, except legal reserves, shall be at the disposal of the Board of Directors for all SONAMINES needs, including the implementation of the General Meeting's decisions that determined the sharing of dividends or percentage or repayment of capital.

**ARTICLE 132:** The reserve funds or amounts carried forward may be appropriated, as decided by the General Meeting, either to grant or complete the first dividend to shareholders, or to the complete or partial redemption of shares.



**ARTICLE 133:** The distributable profit shall be made up of the financial year's profit, less previous losses, as well as the amount to be held in reserve pursuant to the law and the present Articles of Association, plus deferred profits.

**ARTICLE 134:** (1) With respect to distributable profit, the General Meeting may choose to deduct the amounts it deems appropriate to fix, to be allocated to any optional, ordinary or extraordinary reserve fund or carried forward anew, all in the proportion that it shall determine.

(2) In addition, the General Meeting may decide to carry out exceptional distribution. In such case, the decision shall expressly indicate the reserve heads from which such deductions shall be made.

**ARTICLE 135:** Save in case of capital reduction, distribution shall not be carried out where equity capital is less or thereafter becomes less than the amount of share capital plus reserves which cannot be distributed by virtue of the law or these Articles of Association.

**ARTICLE 136:** The General Meeting may decide to record all or part of the distributable profits to the "carried forward" account or to any reserve account. It shall determine the appropriation or use of profits recorded in such accounts. They may be used in particular to finance SONAMINES's investments.

**ARTICLE 137:** The total sum of distributable profits and reserves shall constitute distributable amounts.

**ARTICLE 138:** (1) The General Manager and, where necessary, the Deputy General Manager, as well as SONAMINES staff may be part of the corporation's profit sharing, on the basis of a maximum 10% (ten percent) quota of the net profit made each financial year.

(2) Conditions for the distribution of the profit-sharing quota referred to in Article 138(1) above shall be determined by the General Meeting.

PARAGRAPH II  
DISTRIBUTION OF PROFITS AND  
PAYMENT OF DIVIDENDS

**ARTICLE 139:** The General Meeting may decide to make advanced payments to the State, sole shareholder, to be deducted from the dividends of the past or current financial year, prior to the approval of the accounts of those financial years, under the following conditions:

- the balance sheet drawn up during or at the end of the financial year and certified by the Auditor shows that SONAMINES has made profit since the close of the preceding financial year. This must be after the constitution of the required amortizations and provisions, less any past losses and sums paid into a reserve fund in accordance with the law or

the Articles of Association and, without considering the benefit carried forward;

- the amount of such advanced payments must not exceed the amount of profits defined above.

**ARTICLE 140:** (1) Where the accounts are approved and it is established that there are distributable amounts, the General Meeting shall determine the share to be allotted to the State as dividends.

(2) Dividends shall be deducted as a priority from the distributable profit of the financial year.

(3) The minister in charge of finance shall lay down conditions for the payment of dividends. However, dividends must be paid within a maximum period of 9 (nine) months following the close of the financial year.

(4) The State shall be allotted the first dividend equal to a given percentage of amounts, whose shares are paid up and not redeemed. Reserves shall not be taken into account in calculating this first dividend. The balance shall be allocated as super dividend to the State, as decided by the Board of Directors.

(5) Any dividend distributed in violation of the rules laid down in these Articles of Association shall be considered sham dividend.

**ARTICLE 141:** No dividend may be claimed back from a shareholder, save where the following two conditions are met:

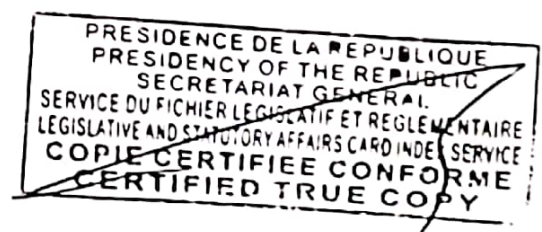
- distribution was carried out in violation of the provisions laid down above;
- it has been established that the beneficiary was either aware of the irregular nature of the distribution at the time of the distribution or could not have been unaware thereof given the circumstances.

### PARAGRAPH III LOSSES

**ARTICLE 142:** Losses, if any, shall, after the approval of accounts by the minister in charge of finance, be entered as carried forward item under the liabilities column of the balance sheet, to be charged to the profits of subsequent financial years until they are fully paid up.

## CHAPTER VIII TRANSFORMATION OF SONAMINES

**ARTICLE 143:** The transformation of SONAMINES shall mean changing its legal status, either by virtue of the provisions of Law No. 2017/11 of 12 July 2017 to lay down general rules and regulations governing public corporations and obligations



under the laws applicable to limited companies, or by transforming it into a semi-public corporation or a public company with several shareholders.

**ARTICLE 144:** (1) Amendment of the Articles of Association of SONAMINES shall be initiated by the Board of Directors and ratified by decree of the President of the Republic, after approval of such amendment by the General Meeting sitting in extraordinary session.

(2) The transformation of SONAMINES into a semi-public corporation shall be carried out within the framework of privatization and in accordance with the relevant regulations in force. No other transformation which does not comply with the laws and regulations in force shall be authorized.

**ARTICLE 145:** SONAMINES may be transformed into another form of company under the conditions provided for in these Articles of Association.

## CHAPTER IX

### DISSOLUTION AND LIQUIDATION

#### I- DISSOLUTION

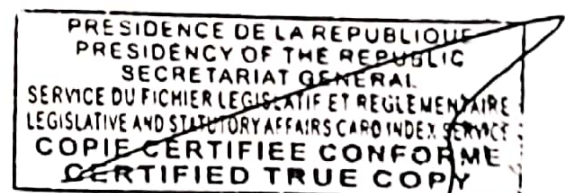
**ARTICLE 146:** The dissolution of SONAMINES shall be pronounced by decree of the President of the Republic following a joint proposal of the minister in charge of mining and the ministry in charge of finance, upon the recommendation of the General Meeting college.

**ARTICLE 147:** The dissolution of SONAMINES may be pronounced for the following causes:

- expiry of period for which it was established;
- achievement or extinction of its corporate purpose;
- cancellation of SONAMINES contracts;
- decision of the sole shareholder;
- decision of partners, under conditions laid down for the amend the Articles of Association;
- early dissolution pronounced by the competent court, at the behest of a partner for valid reasons, notably in case of non-fulfilment of its obligations by a partner or misunderstanding between partners that hinder the normal functioning of SONAMINES;
- effect of a court decision ordering the liquidation of SONAMINES's assets;
- any other cause provided for by the present Articles of Association.

**ARTICLE 148:** (1) Eight (8) clear days after the dissolution decision, the latter shall be published in a legal notices newspaper and in a national news outlet. The liquidation period shall start to run from the date of publication.

(2) With effect from this date and, save where otherwise stipulated in the dissolution instrument:



- the Board of Directors and Management shall be relieved of their duties;
- all ongoing contracts shall be interrupted subject to the continuation of some contracts, in accordance with the provisions of Section 84 of Law No. 2017/11 of 12 July 2017 to lay down general rules and regulations governing public corporations.

(3) The publication of the SONAMINES dissolution instrument shall stay or forbid all legal actions through main claim or counter-claim, by summary proceeding or by submission for out-of-court settlement, any case pending against it as well as all measures of enforcement against its property.

(4) However, creditors with surety or special privilege may, so long as they have declared their claims, exercise their right to individual action against the corporation where the Liquidator has not started liquidation of the encumbered property within 6 (six) months of the date of his assumption of duty.

**ARTICLE 149:** (1) Where SONAMINES is dissolved at the expiry of its duration, the Board of Directors shall, at least 1 (one) year prior to the expiry date, convene the Extraordinary General Meeting to decide whether or not to extend the activities of the corporation.

(2) The instruments or minutes that decided or established such dissolution shall be deposited at the registry of the courts of the place of location of the head office. Dissolution shall also lead to the modification of the enrolment in the Trade and Investment Credit Register.

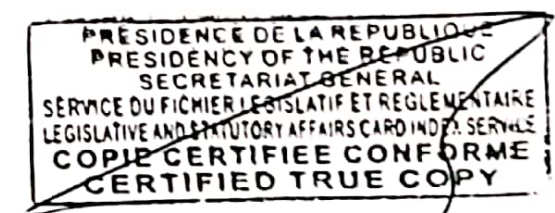
**ARTICLE 150:** (1) Where equity capital becomes less than half of the registered capital, the Board of Directors must, within the 4 (four) months of the approval of the accounts which revealed such loss, cause the convening of an Extraordinary General Meeting to decide on the measures to be taken to regularize the situation, where the early dissolution of SONAMINES is not envisaged.

(2) In any case, where the situation is not regularized, early dissolution shall be pronounced at the end of the second financial year following that in which the losses were revealed. The Auditor(s) must notify the General Meeting immediately after the close of the second financial year in which the losses were revealed.

(3) The Auditor(s) must notify the minister in charge of finance or the General Meeting upon the close of the financial year in which the losses were revealed.

(4) The instrument dissolving SONAMINES shall state whether or not the activities shall be continued during the liquidation period.

(5) Early dissolution may also be pronounced for any other reason provided for by law entailing the termination of the corporate body.



(6) Where dissolution is not pronounced, the capital must be reduced by an amount equal to the loss recorded, no later than the close of the second financial year following that in which the losses that affected the capital were reported.

**ARTICLE 151:** (1) There shall be neither dissolution nor capital reduction where, within the time-limit referred to in Article 150 (1) above, the equity capital is reconstituted to a level higher than half the registered capital.

(2) In both cases, the resolution adopted by the General Meeting shall be published in accordance with the regulations in force.

(3) Failing a decision by the General Meeting, any interested party may request the High Court of the place of location of the corporation's head office to dissolve SONAMINES. In any case, the court may grant SONAMINES a maximum period of 6 (six) months to regularize the situation. Where the situation is regularized before the court ruling, dissolution shall not be ordered.

**ARTICLE 152:** In case of non-compliance with the provisions on maintaining capital at a level that is at least equal to the legal minimum, any interested party may take legal action for the dissolution of SONAMINES. Such dissolution may not be ordered where the situation is regularized by the day the court rules on the merits.

## **II. LIQUIDATION**

**ARTICLE 153:** The liquidation of SONAMINES shall be conducted amicably in accordance with the provisions of Law No. 2017/11 of 12 July 2017 to lay down general rules and regulations governing public corporations.

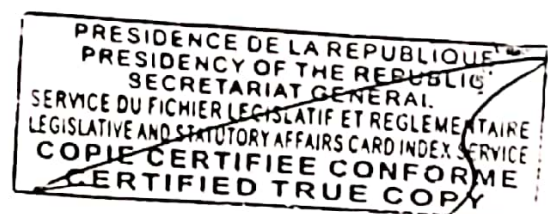
**ARTICLE 154:** The publication of the instrument dissolving SONAMINES, which opens the liquidation period, shall stay or forbid all legal actions through main claims or counter-claims, by summary proceeding or by submission for out-of-court settlement, any pending case against it as well as all measures of enforcement against its property.

**ARTICLE 155:** Creditors with surety or special privilege may exercise their rights where the Liquidator has not started liquidation of the encumbered property within 12 (twelve) months from the date of his appointment by the minister in charge of finance.

**ARTICLE 156:** The debts and claims of SONAMINES shall be payable, where applicable, at the end of the term as soon as the instrument dissolving the corporation is published.

**ARTICLE 157:** The dissolution shall freeze legal interests and interest stipulated by contract on the debts owed by SONAMINES as well as all interest in arrears and additional charges.

**ARTICLE 158:** The publication shall, as of right, entail the prohibition, under pain of nullity, to pay any debt contracted prior to the publication of the instrument



dissolving SONAMINES. However, the Liquidator may pay previous debts in order to redeem the security or item that was legitimately withheld, where such redemption is necessary for the continuation of liquidation transactions.

**ARTICLE 159:** The securities and privileges as well as judicial instruments and decisions transferring or constituting rights in rem may no longer be registered after the publication of the instrument dissolving SONAMINES.

**ARTICLE 160:** Decisions rendered against it under the debt contention procedure shall be registered free of charge. Decisions rendered in its favour shall be registered at a reduced rate.

### III- APPOINTMENT OF LIQUIDATOR

**ARTICLE 161:** (1) By decision of the minister in charge of finance, a liquidator that may be a natural person or corporate body shall be appointed concomitantly with the instrument dissolving SONAMINES having the State as sole shareholder, without prejudice to any possible incompatibility.

(2) Where a corporate body is designated Liquidator, the name of its representative shall be stated.

(3) The instrument appointing the Liquidator, its form notwithstanding, shall be published within 1 (one) month upon appointment, in a legal notices journal.

**ARTICLE 162:** The Liquidator, in the execution of his mandate, may consult any person on account of their competence.

**ARTICLE 163:** The ceiling for the monthly fees or emoluments of the Liquidator shall be fixed, as the case may be, by decision of the minister in charge of finance or by the decision-making organ.

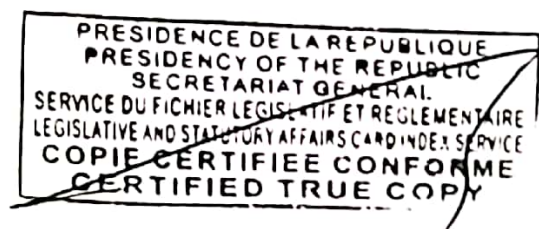
**ARTICLE 164:** The Liquidator shall be appointed for a maximum period of 1 (one) year, renewable. However, the liquidation period shall not exceed 3 (three) years.

**ARTICLE 165:** (1) The duties of liquidator shall cease notably by non-renewal of his term or by dismissal.

(2) His replacement shall take place under the same conditions as those which prevailed at his appointment.

**ARTICLE 166:** The duties of the Liquidator and the liquidation operations shall be conducted in accordance with the provisions of Parts VI and VII of Law No. 2017/11 of 12 July 2017 to lay down the general rules and regulations governing public corporations.

**ARTICLE 167:** Liquidation may be terminated at any moment by decision of the authority which appointed the Liquidator, in the following cases:



- where there are no more current liabilities;
- when pursuit of liquidation operation becomes impossible because of insufficient assets.

**ARTICLE 168:** (1) Prior to the termination of liquidation, the Liquidator shall draw up a liquidation statement which shall be attached to his final report.

(2) The Liquidator shall forward the liquidation statement to the authority which appointed him, for approval. However, the minister in charge of finance shall, in any case and for information purposes, receive the liquidation statement where liquidation is terminated for insufficient assets.

**ARTICLE 169:** The decision to wind up the liquidation shall be taken by the same organs and under the same conditions, in particular of publication, as the decision to liquidate.

**ARTICLE 170:** Where the liquidation is wound up owing to insufficient assets, the creditors whose claims have been verified and accepted shall recover their individual prosecution rights against the management of SONAMINES or the Liquidator, in case of fraud affecting their rights, in accordance with the provisions of Section 111 of Law No. 2017/11 of 12 July 2017 to lay down general rules and regulations governing public corporations.

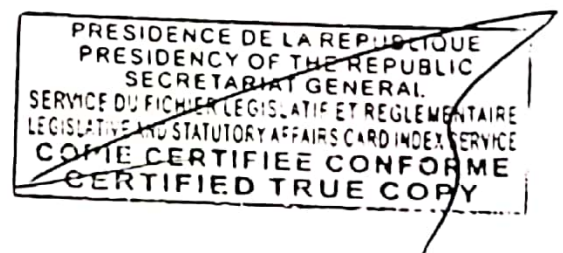
**ARTICLE 171:** (1) The persons who, during the liquidation process and in good faith, acquired all or part of SONAMINES property shall not be liable for the enterprise under liquidation, unless otherwise explicitly agreed by them.

(2) In like manner, the employees of SONAMINES under liquidation, who are subsequently employed by the purchaser of such property, shall be so recruited on the basis of a new employment contract.

## CHAPTER X MISCELLANEOUS AND FINAL PROVISIONS

**ARTICLE 172:** All disputes which may arise during the life or liquidation of SONAMINES, between the State and SONAMINES, or between third parties and SONAMINES, in particular concerning labour matters, interpretation or implementation of these Articles of Association, shall be referred to the competent courts at the place of location of the head office.

**ARTICLE 173:** On the basis of a compromise or a compromissory clause between the parties, all the disputes which may arise during the life or liquidation of SONAMINES concerning their business relations may be referred to a national or an international arbitration centre.



**ARTICLE 174:** The time-limits indicated in the present Articles of Association shall be reckoned in accordance with the rules laid down by the Civil Procedure Code applicable at the place of location of the head office.

**ARTICLE 175:** (1) After formalities to ensure compliance of these Articles of Association have been completed, a notice shall be inserted in a legal notices newspaper.

(2) To this end, the General Manager shall have all powers to carry out all the various legal formalities.

**ARTICLE 176:** All the expenses, fees and charges provided for in the present Articles of Association and attendant expenses, in particular expenses for ensuring compliance, deposit and publication expenses as well as all other expenses which SONAMINES may incur, especially studies and consultation expenses entailed by the compliance process, shall be borne by the budget of SONAMINES and shall be charged, as the case may be, as establishment or transformation expenses to be amortized as shall subsequently be decided by the Board of Directors.

**ARTICLE 177:** The General Manager or any person authorized by him and bearer of an original, a dispatch, a copy or an extract of these documents shall have full powers for the publication of the present Articles of Association and all instruments and minutes on ensuring compliance of the Articles of Association of SONAMINES.

