

"AN ACT TO FURTHER AMEND PART I (THE BUSINESS CORPORATION ACT) AND PART III (THE PARTNERSHIP AND LIMITED PARTNERSHIP ACTS) OF THE ASSOCIATION LAW, TITLE 5, LIBERIAN CODE OF LAWS REVISED"

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AN ACT TO FURTHER AMEND PART I (THE BUSINESS CORPORATION ACT) AND PART III (THE PARTNERSHIP AND LIMITED PARTNERSHIP ACTS) OF THE ASSOCIATIONS LAW, TITLE 5, LIBERIAN CODE OF LAWS REVISED.



REPUBLIC OF LIBERIA

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CHAPTER 1.

GENERAL PROVISIONS

§1.1. Short Title.
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§1.1. Short Title.

Part I of this Title shall be known as the "Business Corporation Act". Unless otherwise specified, references in Part I to this Act mean the Business Corporation Act.

§1.2. Definitions.

As used in this Act, unless the context otherwise requires, the term:

(a) "***2020 Amendment Act***" means Title 5, the Associations Law, as amended by the Legislature in 2020.

(b) "***Articles of incorporation***" includes (i) the articles of incorporation or any other instrument filed or issued under any statute to form a domestic or foreign corporation, amended, supplemented, corrected or restated by articles of amendment, merger, or consolidation or other instruments filed or issued under any statute; or (ii) an act of the Liberian legislature or charter granted under Liberian law creating a resident or non-resident domestic corporation, as amended, supplemented or restated.

(c) "***Beneficial Owner***" refers to:

(i) the natural person(s) who ultimately owns or controls or exercises ultimate effective control over a legal person or arrangement;

(ii) where no natural person exerts control through ownership interests, the natural person(s) exercising control of the legal person through other means, such as control through relationships, financial power or contractual associations; or

(iii) where no natural person is identified under (i) or (ii) above, the relevant natural person(s) who holds the position of senior managing officer.

As used herein, the term "beneficial owner" shall be applicable to all forms of businesses incorporated and/or organized under the laws of Liberia or authorized to do business within the Republic of Liberia, inclusive of resident and non-resident corporations, foreign corporations authorized to do business in Liberia, limited liability companies, partnerships, limited partnership, trusts, foundations, and other legal entities organized under the laws of Liberia or authorized to do business in Liberia.

(d) "***Board***" means board of directors.

(e) "***Corporation***" or "***domestic corporation***" means a corporation for profit which has the authority to issue shares, and which is formed:

(i) Under this Act, or exists on the effective date of this Act and theretofore was formed under any other general statute or by any act of the Legislature of the Republic of Liberia; or

(ii) In Liberia as another entity and reregistered under the provisions of this Act and is deemed to have been formed under this Act; or

(iii) Under the laws of a foreign jurisdiction and re-domiciled into Liberia and is deemed to have been formed under this Act.

(f) "***Custodial Agreement***" means an agreement entered into between an owner of bearer shares and a Custodian in regard to the share ownership and containing the information required and specified in Section 5.15.

(g) "***Custodian***" means:

(i) For resident domestic corporations, the Liberian Business Registry; and

(ii) For non-resident domestic corporations either:

(a) The LISCR Trust Company or any domestic bank or other trust company with a paid in capital of not less than US$50,000.00, which (1) is authorized by the Legislature of the Republic of Liberia to act under Section 5.15 as a custodian of certificates evidencing bearer shares issued by a Liberian corporation, and (2) has obtained a license from the Minister of Foreign Affairs; or

(b) An institution licensed to provide trust services by the jurisdiction of its incorporation or that conducts its operations, which (1) is approved by the Registrar, (2) is contractually bound to perform custodial services in full compliance with the requirements of Section 5.15 and (3) has provided a deposit, a binding letter of credit or other form of monetary guarantee acceptable to the Registrar in the minimum amount of US$50,000.00, which would be drawn upon in the event of non-compliance.

(h) "***Electronic transmission***" means email or a facsimile or any other form of communication not directly involving the physical mailing or delivery of papers that create a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process, including but not limited to one or more electronic networks or databases, or otherwise done in accordance with the Electronic Transactions Law.

(i) "***Foreign corporation***" means a corporation for profit formed under the laws of a foreign jurisdiction. "Authorized" when used with respect to a foreign corporation means having authority under Chapter 12 (Foreign Corporations) to do business in Liberia.

(j) "***Insolvent***" means a financial condition under which a person is unable to pay his/her/its debt or meet his/her/his other contractual or statutory financial obligations as they become due.

(k) "***In writing***" and "***written***" shall be interpreted in accordance with Chapter 13 of Title 14.

(l) "***Internal corporate claim***" means a claim, including claims in the right of the corporation, that are based upon a violation of a duty by a current or former director or officer or shareholder in such capacity.

(m) "***Legal Owner***" means the natural or legal persons who, according to the respective jurisdiction's legal provision, own the legal person.

(n) "***Minister of Foreign Affairs***" means the Minister of Foreign Affairs and any deputy or assistant in the Ministry of Foreign Affairs exercising a function assigned to him, and "Minister" shall, in the absence of an indication to the contrary, be assumed to be a reference to the Minister of Foreign Affairs as so defined.

(o) "***Nominee***" means a legal or natural person in a nominee relationship in which that person is registered as the registered owner of a share or interest in a domestic business entity formed in accordance with Liberian law which is held or is exercisable by that person on behalf of a beneficial owner traceable through every layer and level of the line of business entities from the ultimate beneficial owner to the owner-nominee of record of the business, whether directly or indirectly (other than as the trustee of a trust).

(p) "***Non-resident domestic corporation***" means a domestic corporation not doing business in Liberia. A corporation shall not be considered to be doing business in Liberia by reason of carrying on in Liberia one or more of the following activities:

(i) Maintaining or defending any action or proceeding, or effecting settlement thereof or the settlement of claims or disputes;

(ii) Holding meetings, including meetings of its directors or shareholders;

(iii) Causing bearer certificates to be held by a Custodian based within Liberia;

(iv) Maintaining facilities or agencies only for the transfer, exchange and registration of its securities, or appointing and maintaining trustees or depositaries with relation to its securities;

(v) Maintaining a registered agent or an administrative, management or statutory office in Liberia;

(vi) Investing in stock (or other equity ownership interests) or securities in a resident legal person (unless the investment is in an entity that provides to the investor a distributive share of adjusted income consisting of income derived from operations carried on in Liberia); or

(vii) Maintaining a bank account in Liberia.

(q) "***Public Company***" means a legal entity that has a class of stock that is: (a) listed on a securities exchange; (b) authorized for quotation on an interdealer quotation system of a registered securities association; or (c) held of record by more than two thousand (2,000) shareholders.

(r) "***Re-domiciled***" means re-domiciled into Liberia from another jurisdiction, or re-domiciled out of Liberia to another jurisdiction, as the context requires, and "Re-domiciliation" shall be similarly construed.

(s) "***Registrar***" means the Minister of Foreign Affairs or a Deputy Registrar appointed by the Minister of Foreign Affairs with authority to register and regulate business associations in the Republic of Liberia as provided in this Act.

(t) "***Resident domestic corporation***" means a domestic corporation doing business in Liberia.

(u) "***Shareholder***" means a person who is a record holder of a share or shares of a corporation.

(v) "***Signature***" and "***signed***" shall be interpreted in accordance with Chapter 13 of Title 14.

(w) "***Treasury shares***" mean shares which have been issued, have been subsequently acquired and are retained uncancelled by the corporation.

(x) "***Ultimate effective control***" means when any person or entity has final control, through the various or multiple lines, layers and levels of decision in a legal entity, and for whose benefits others at every level act, and to whom persons acting in any capacity at every layer are ultimately answerable to, and who thereby, by such final traceable ownership, has absolute decisive control of the assets and final authority in the decision process of the various levels of the entity.

(y) "***Ultimate ownership***" means a person who through a chain or layer of representatives asserting ownership of record at various level of entities, has actual or final legal and ultimate ownership of the shares, assets or interest in or of the entity to which another entity or person is reflected on the records as having such ownership.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 1, §1.2; amended effective June 19, 2002; amended effective May 6, 2016; amended effective April 23, 2018.

§1.3. Application of Business Corporation Act.

1. *To domestic and foreign corporations in general*. The entirety of this Act shall apply to every resident and non-resident domestic corporation and to every foreign corporation authorized to do business in Liberia which (a) came into existence on or after January 2, 1977, or (b) existed prior to January 2, 1977 but subsequently amended its articles of incorporation to subject itself to this Act. All other corporations shall be subject only to the provisions of this Act concerning recordkeeping, registered agent, and bearer shares.

2. *Banking and insurance corporations*. A corporation to which the New Financial Institutions Act and its amendments or the Insurance Law and its amendments is applicable shall also be subject to the Business Corporation Act, provided that the New Financial Institutions Act or the Insurance Law, as the case may be, shall prevail over any conflicting provisions of this Act.

3. *Causes of action, liability or penalty*. This Act shall not affect any cause of action, liability, penalty, or action or special proceeding which on the effective date of this Title is accrued, existing, incurred or pending, but the same may be asserted, enforced, prosecuted, or defended as if this Act had not been enacted.

4. *Regulation of a corporation not doing business in Liberia*. A nonresident domestic corporation as defined by and conforming to the provisions of this Act is not required to register with and shall not be regulated by the Ministry of Commerce and Industry or the Ministry of Transport or any similar regulatory agency and shall not be subject to any enactment intended to regulate the conduct of business in Liberia.

5. *Adoption of Delaware Corporation and Business Entity Laws*. This Act shall be applied and construed to make the laws of Liberia, with respect to the subject matter hereof, uniform with the laws of the State of Delaware of the United States of America and other U.S. states with substantially similar legislative provisions. Insofar as it does not conflict with any other provision of this Act or the decisions of the courts of the Republic of Liberia, both of which shall take precedence, the non-statutory law of the State of Delaware and other U.S. states with substantially similar legislative provisions with respect to the subject matter hereof is hereby

adopted as Liberian law, and the courts of Liberia are authorized and directed to apply such law in resolving any issue before such courts. Section 40 of the General Construction Law (Reception Statute), Title 15, 1956 Code shall not apply with regards to the interpretation of this Act.

Prior legislation: 1956 Code 4:47, 48; L. 1950-51, ch. XXXIII, §1; Lib. Corp. L., 1948, §§47, 48; 1976 Liberian Code of Laws Revised, Chapter 1, §1.3; amended effective June 19, 2002

§1.4. Form of instruments; filing.

1. *General Requirement*. Whenever any provision of this Act requires any instrument to be filed with the Registrar or the Deputy Registrar such instrument shall comply with the provisions of Section 1.4 unless otherwise expressly provided by statute.

2. *Language*. Every instrument shall be in the English language, provided that:

(a) The corporate name may be in another language if written in English letters or characters;

(b) An instrument not in the English language may be filed if it is accompanied by a translation, duly attested to be a true translation, into the English language;

(c) Where an instrument is in the English language there may be filed and recorded a translation into another language, duly attested to be a true translation, attached to it and forming part of the instrument, and in the event there is found to be any difference in the content or the meaning of the instrument in the English language and in another language filed under paragraph (b) or (c) the instrument in the English language shall prevail.

3. *Execution*. All instruments shall be signed by:

(a) an officer or authorized person. As used herein, the term "authorized" means a person who by law or who is given the authority in the articles of incorporation, bylaws, resolution of the board of directors or other instruments of the corporation or otherwise, to sign documents for and on behalf of the corporation or a person

who is otherwise designated as an agent or representative duly empowered to execute instruments for and on behalf of the corporation;

(b) a duly authorized attorney in fact or in law;

(c) if it shall appear from the instrument that there are no such officers, then by a majority of the directors or by such directors as may be designated by the board;

(d) if it shall appear from the instrument that there are no such officers or directors, then by the shareholders of record, or such of them as may be designated by the shareholders of record, of a majority of all outstanding shares of stock; or

(e) by the shareholders of record of all outstanding shares of stock,

(f) where any signatory is not a natural person, the instruments shall be signed by the person or persons who are the authorized signatories of that legal entity.

Evidence of a signatory's authorization, including a power of attorney, to sign any instrument or amendment thereof need not be in writing, need not be sworn to, verified or acknowledged, and need not be filed in the office of the Registrar or the Deputy Registrar.

4. In addition, articles of incorporation, and any other instrument to be filed before the election of the initial board of directors if the initial directors were not named in the articles of incorporation, shall be signed by the incorporator or incorporators. If any incorporator is not available then any such other instrument may be signed, with the same effect as if such incorporator had signed it, by any person for whom or on whose behalf such incorporator, in executing the articles of incorporation, was acting directly or indirectly as employee or agent, provided that such other instrument shall state that such incorporator is not available and the reason therefor, that such incorporator in executing the articles of incorporation was acting directly or indirectly as employee or agent for or on behalf of such person, and that such person's signature on such instrument is otherwise authorized and not wrongful.

5. *Acknowledgments within Liberia*. Whenever any provision of this Act requires an instrument to be acknowledged, such requirement means in the case of the execution of an instrument within Liberia that:

(a) The person signing the instrument shall acknowledge that it is his act and deed or that it is the act and deed of the corporation, as the case may be, and

(b) The instrument shall be acknowledged before a notary public or other person authorized to take acknowledgments, who shall attest that he knows the person making the acknowledgment to be the person who executed the instrument.

6. *Acknowledgments Outside Liberia*. In the case of the execution of an instrument outside of Liberia, an acknowledgment shall mean that:

(a) The person signing the instrument shall acknowledge that it is his act and deed or that it is the act and deed of the corporation, as the case may be, and the instrument shall be acknowledged by a notary public or other person authorized to take acknowledgments according to the laws of the place of execution, or a Liberian consul or vice consul, including a Deputy Commissioner and a Special Agent appointed under Title 21 of Liberian Code of Laws Revised, authorized to take acknowledgments or, in their absence, a consular official of another government having diplomatic relations with Liberia, and such person shall attest that he knows the person making the acknowledgment to be the person who executed the instrument; or

(b) The signature, without more, of the person or persons signing the instrument, in which case such signature or signatures shall constitute the affirmation or acknowledgment of the signatory, under penalties of perjury, that the instrument is such person's act and deed or the act and deed of the corporation, and that the facts stated therein are true.

7. *Filing*. Whenever any provision of this Act requires any instrument to be filed with the Registrar or the Deputy Registrar, such requirement means that:

(a) The instrument, signed and acknowledged, shall be delivered to the office of the Registrar or the Deputy Registrar accompanied by all fees required to be paid in connection with the filing of the instrument or accompanied by a receipt showing payment to the Liberia Revenue Authority, the Registrar or Deputy Registrar, as

the case may be, or such other appropriate authority, of all fees required to be paid in connection with the filing of the instrument;

(b) Upon delivery of the signed and acknowledged instrument with the required fees or receipt, along with any other documents required to be submitted to the Registrar or the Deputy Registrar, the Registrar or the Deputy Registrar shall certify that the instrument has been filed as required by this Act by endorsing the word "Filed" and the date of filing on the instrument; and

(c) Except as provided in this paragraph, any instrument filed in accordance with paragraph (b) shall be effective as of the filing date stated thereon. Any instrument may provide that it is not to become effective until a specified time subsequent to the time it is filed, but, unless otherwise provided in this Act, such time shall not be later than a time on the ninetieth day after the date of its filing. If any instrument filed in accordance with Section 1.4 provides for a future effective date or time and if the transaction is terminated or its terms are amended to change the future effective date or time prior to the future effective date or time, the instrument shall be terminated or amended by the filing, prior to the future effective date or time set forth in such instrument, of a certificate of termination or amendment of the instrument, executed in accordance with Section 1.4, which shall identify the instrument which has been terminated or amended and shall state that the instrument has been terminated or the manner in which it has been amended. If another section of this Act specifically prescribes a manner of executing, acknowledging or filing a specified instrument or a time when such instrument shall become effective which differs from the corresponding provisions of Section 1.4, then the provisions of such other section shall prevail.

8. *Correction of filed instruments*. Whenever any instrument authorized to be filed with the Registrar or the Deputy Registrar under any provision of this Act has been so filed and is an inaccurate record of the action therein referred to, or was defectively or erroneously executed, filed, sealed or acknowledged, the instrument may be corrected by filing with the Registrar or the Deputy Registrar a certificate of correction of the instrument which shall be executed,

acknowledged and filed in accordance with Section 1.4.8. The certificate of correction shall specify the inaccuracy or defect to be corrected and shall set forth the portion of the instrument in corrected form. In lieu of filing a certificate of correction, the instrument may be corrected by filing with the Registrar or the Deputy Registrar a corrected instrument which shall be executed, acknowledged and filed in accordance with Section 1.4. The corrected instrument shall be specifically designated as such in its heading, shall specify the inaccuracy or defect to be corrected, and shall set forth the entire instrument in corrected form. An instrument corrected in accordance with Section 1.4.8 shall be effective as of the date the instrument was first filed except as to those persons who are substantially and adversely affected by the correction and as to those persons the instrument as corrected shall be effective from the filing date of the certificate of correction. Notwithstanding that any instrument authorized to be filed with the Registrar or the Deputy Registrar under this Act is when filed inaccurate, or is defectively or erroneously executed, filed, sealed or acknowledged, or otherwise defective in any respect, the Registrar or the Deputy Registrar shall have no liability to any person for the preclearance for filing, the acceptance for filing or the filing and indexing of such instrument by the Registrar or the Deputy Registrar.

9. *Electronic signatures; Documents created, transmitted, signed or stored electronically*. Any signature on any instrument filed with the Registrar or the Deputy Registrar may be a facsimile, a conformed signature or an electronically transmitted signature. In addition, the requirements of this Act in respect of filing and of the form of instruments and of the transmission, signature and sealing of such instruments may be satisfied by instruments electronically created and existing, transmitted, signed and, if applicable, sealed, in accordance with Chapter 13 of Title 14.

10. *Notarization and acknowledgment*. Section 11 of Chapter 13 of Title 14 shall apply to any requirement in this Act that a document be acknowledged, notarized or under oath.

11. *Minister of Foreign Affairs and Registrar or Deputy Registrar*. Where in this Act, other than in Chapter 12, or in any Act in which reference is made to Section 1.4, reference is made to the Minister of Foreign Affairs in respect of the filing of any document or instrument, the acknowledgement or execution thereof or action subsequent to filing, there is no requirement for

reference to the Registrar or the Deputy Registrar. All references to the Minister shall mean and be construed to mean a reference to the Registrar or the Deputy Registrar, and shall not require that specific reference be made to the Registrar or the Deputy Registrar.

12. *Power to vary*. The Registrar or the Deputy Registrar may by regulation or guideline vary the requirements of Section 1.4 in respect of execution, acknowledgement and filing, but only to the extent that the burden of such requirement is reduced. Any instrument that was filed with and accepted by the Registrar or Deputy Registrar and/or executed prior to the effectiveness of the 2020 Amendment Act that complies with the provisions of Section 1.4 as amended by the 2020 Amendment Act, are deemed valid and to have complied in all respects with Section 1.4.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 1, §1.4; amended effective June 19, 2002

§1.5. Certificates or certified copies as evidence.

1. *Form and transmission of certificates*. Any certificate or document to be issued by the Registrar or the Deputy Registrar in accordance with the provisions of this Act may be created, exist, be transmitted, issued, signed or sealed, as the case may be, electronically in accordance with Chapter 13 of Title 14 and all copies of documents filed in the office of the Registrar or the Deputy Registrar in accordance with the provisions of this Act and, where appropriate, of Chapter 13 of Title 14 with respect to the status of documents electronically generated, held, signed or sealed, may be reproduced by him on paper or electronically for the purposes of certification by him in accordance with Chapter 13 of Title 14.

2. *Status of certificates*. All certificates issued by the Registrar or the Deputy Registrar in accordance with the provisions of this Act and all copies of documents filed in accordance with the provisions of this Act shall, when certified by him, be taken and received in all courts, public offices and official bodies as prima facie evidence of the facts therein stated and of the execution of such instruments.

3. *Issuing photocopies*. The Registrar or the Deputy Registrar may issue photocopies or electronic image copies of instruments on file, as well as instruments, documents and other papers not on file, and for all such photocopies or electronic image copies which are not certified by the Registrar or the Deputy Registrar, a fee shall be paid. The Registrar or the Deputy

Registrar upon request shall issue only photocopies or electronic image copies of public records in exchange for the fees described in Section 1.5.3, and in no case shall the Registrar or the Deputy Registrar be required to provide copies (or access to copies) of such public records (including without limitation bulk data, digital copies of instruments, documents and other papers, databases or other information) in an electronic medium or in any form other than photocopies or electronic image copies of such public records in exchange, as applicable, for the fees described in this Act.

Prior legislation: 1956 Code 4:46; Lib. Corp. L., 1948, §46; 1976 Liberian Code of Laws Revised, Chapter 1, §1.5; amended effective June 19, 2002

§1.6. Fees on filing articles of incorporation and other documents.

1. *Articles of incorporation*. On filing articles of incorporation a fee in the following amounts shall be paid to the Liberia Revenue Authority, the Registrar, or the Deputy Registrar:

- US$2.00 for each US$1,000 of par value stock authorized up to and including US$125,000.
- US$0.50 for each US$1,000 of par value stock authorized in excess of US$125,000 and not in excess of US$1,000,000.
- US$0.25 for each US$1,000 of par value stock authorized in excess of US$1,000,000 and not in excess of US$2,000,000.
- US$0.10 for each US$1,000 of par value stock authorized in excess of US$2,000,000.
- US$0.20 for each share of stock without nominal or par value authorized up to and including 1,250 shares.
- US$0.05 for each share of stock without nominal or par value authorized in excess of 1,250 and not in excess of ten thousand shares.
- US$0.0025 for each share of stock without nominal or par value authorized in excess of ten thousand and not in excess of 20,000 shares.

- US$0.001 for each share of stock without nominal or par value authorized in excess of 20,000 thousand shares.

- In no case shall less than US$100.00 be paid on filing articles of incorporation.

2. *Increasing authorized number of shares; articles of merger or consolidation*. On filing with the Registrar or the Deputy Registrar an amendment of articles of incorporation increasing the authorized number of shares or articles of merger or consolidation of two or more domestic corporations, a fee shall be paid computed in accordance with the figures stated in Section 1.6.1 on the basis of the number of shares provided for in the articles of amendment or articles of merger or consolidation, except that all fees paid by the corporation with respect to the shares authorized prior to such amendment or merger or consolidation shall be deducted from the amount to be paid, but in no case shall the amount be less than US$10.00.

3. *Articles of dissolution; articles of amendment; articles of merger or consolidation into foreign corporation*. On filing with the Registrar or the Deputy Registrar an amendment of articles of incorporation other than an amendment increasing the authorized number of shares, or articles of dissolution, or articles of merger or consolidation into a foreign corporation or any other document for which a certificate is issued under this Act, a fee of US$10.00 shall be paid to the Liberia Revenue Authority, Registrar, or Deputy Registrar or such other appropriate authority.

4. *Other fees*. Fees for certifying copies of documents and for filing, recording or indexing papers shall by regulations or guidelines be determined and published by the Registrar or the Deputy Registrar from time to time.

Prior legislation: 1956 Code 4:43; Lib. Corp. L., 1948, §43; 1976 Liberian Code of Laws Revised, Chapter 1, §1.6; amended effective June 19, 2002

§1.7. Annual registration fee.

1. *Annual Registration fee*. Every domestic corporation, reregistered corporation or re-domiciled corporation and every foreign corporation authorized to do business in Liberia shall pay to the Liberia Revenue Authority, Registrar, or Deputy Registrar an annual registration fee of US$ 150.00, which fee shall be:

(a) Due and payable on the anniversary date of the existence of the corporation or of the registration, as the case may be;

(b) A preferred debt in the case of insolvency.

2. *Failure to pay annual registration fee when due; status of corporation*. A corporation that neglects, refuses or fails to pay the annual registration fee when due shall cease to be in good standing unless such fee is paid in full, and, prior to the date at which the provisions of Section 11.3 apply to such corporation, a corporation that has ceased to be in good standing by reason of such neglect, refusal or failure shall be restored to and have the status of a corporation in good standing upon the payment of the annual fee for each year for which such corporation neglected, refused or failed to pay an annual fee.

3. *Corporation not in good standing*. Notwithstanding that a corporation is not in good standing, it shall remain a corporation formed under this Act, but the Registrar or the Deputy Registrar shall not accept for filing any certificate required or permitted by this Act and no certificate of good standing shall be issued with respect to such corporation, unless or until such corporation shall have been restored to and have the status of a corporation in good standing.

4. *No access to courts if not in good standing*. A corporation that has ceased to be in good standing by reason of its neglect, refusal or failure to pay an annual registration fee shall not maintain any action, suit or proceeding in any court until such corporation has been restored to and has the status of a corporation in good standing and no action, suit or proceeding shall be maintained in any court by any successor or assignee of such corporation, or on any right, claim or demand arising on the transaction of business by such corporation, after it has ceased to be in good standing until such corporation has paid any annual fee then due and payable, provided that the neglect, refusal or failure of a corporation to pay an annual registration fee shall not impair the validity of any contract, deed, mortgage, security interest, lien or act of such corporation or prevent such corporation from defending any action, suit or proceeding in any court.

5. *No liability of shareholders, directors or officers*. A shareholder, director or officer of a corporation shall not be liable for the debts, obligations or liabilities of such corporation solely

by reason of the neglect, refusal or failure of such corporation to pay an annual registration fee or by reason of such corporation ceasing to be in good standing.

Prior legislation: L. 1959-60, ch. IX; 1956 Code 4:48; Lib. Corp. L., 1948, §48. Amended eff. September 15, 1987; 1976 Liberian Code of Laws Revised, Chapter 1, §1.7; amended effective June 19, 2002

§1.8. Waiver of notice.

Whenever any notice is required to be given to any shareholder or director or bondholder of a corporation or to any other person under the provisions of this Act or under the provisions of the articles of incorporation or bylaws of the corporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

§1.9. Notice to shareholders of bearer shares.

Any notice or information required to be given to shareholders of bearer shares shall be provided in the manner designated in the corporation's articles of incorporation or, in the absence of such designation or if the notice can no longer be provided as stated therein, the notice shall be published in a publication of general circulation in Liberia or in a place where the corporation has a place of business. Any notice requiring a shareholder to take action in order to secure a right or privilege shall be published in time to allow a reasonable opportunity for such action to be taken. All such notice shall, as applicable, conform to the custodial provisions of Section 5.15 of this Act.

§1.10. Regulations.

The Registrar and the Deputy Registrar may make such Regulations not inconsistent with the provisions of this Act as may be in his opinion necessary for the purpose of giving effect to this Act, and those Regulations to the extent that they are not so inconsistent, shall have the effect and force of law.

Prior legislation: 1956 Code 4:48; Lib. Corp. L., 1948, §48; 1976 Liberian Code of Laws Revised, Chapter 1, §1.10; amended effective June 19, 2002

§1.11. Records.

There shall be maintained at the office of the Registrar or the Deputy Registrar as a public record an index of corporations registered under this Act together with a register of all documents required by this Act to be filed.

Effective: June 19, 2002

§1.12. Immunity from liability and suit.

In the performance of their duties, the Registrar or the Deputy Registrar and any person acting on their behalf for the administration of the provisions of this Act, or any Regulations promulgated pursuant thereto, or in the performance of any services pursuant to this Act, their employees, and agents, wherever located, shall have full immunity from liability from suit with respect to any act or omission or thing done by any of them in good faith in the exercise or performance, or in the purported exercise or performance of, any power, authority or duty conferred or imposed upon any of them under or in connection with this Act or any Regulations, or any other laws or rules applicable to the performance of any of their said duties; and any such suit brought against any of the foregoing shall be dismissed, without prejudice to the plaintiff to bring an action against the correct party.

Effective: June 19, 2002

CHAPTER 2.

CORPORATE PURPOSES AND POWERS

§2.1. Purposes.
§2.2. General Powers.
§2.3. Guarantee authorized by shareholders.
§2.4. Defense of ultra vires.
§2.5. Effect of incorporation; corporation as proper party to action.
§2.6. Liability of directors, officers, and shareholders.

§2.1. Purposes.

Corporations may be organized under this Act for any lawful business purpose or purposes.

§2.2. General Powers.

Every corporation, subject to any limitations provided in this Act or any other statute of Liberia or its articles of incorporation, shall have power in furtherance of its corporate purposes irrespective of corporate benefit:

(a) To have perpetual duration.

(b) To sue and be sued in all courts of competent jurisdiction in the Republic of Liberia and any other jurisdiction as allowed by the laws of such other jurisdiction, and to participate in actions and proceedings, whether judicial, administrative, arbitrative or otherwise, in like cases as natural persons.

(c) To have a corporate seal, and to alter such seal at pleasure, and to use it by causing it or a facsimile to be affixed or impressed or reproduced in any other manner.

(d) To purchase, receive, take by grant, gift, devise, bequest, or otherwise, lease or otherwise acquire, own, hold, improve, employ, use and otherwise deal in and with, real or personal property, or any interest therein, wherever situated.

(e) To sell, convey, lease, exchange, transfer or otherwise dispose of, or mortgage or pledge, or create a security interest in, all or any of its property, or any interest therein, wherever situated.

(f) To purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, employ, sell, lend, lease, exchange, transfer, or otherwise dispose of, mortgage, and pledge, bonds and other obligations, shares, or other securities or interests issued by others, whether engaged in similar or different business, governmental, or other activities.

(g) To make contracts, give guarantees and incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property or any interest therein, wherever situated.

(h) To lend money, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds so loaned or invested.

(i) To do business, carry on its operations, and have offices and exercise the powers granted by this Chapter in any jurisdiction within or without the Republic of Liberia.

(j) To elect or appoint officers, employees and other agents of the corporation, define their duties; fix their compensation, and the compensation of directors, and to indemnify personnel.

(k) To adopt, amend or repeal bylaws relating to the business of the corporation, the conduct of its affairs, its rights or powers or the rights or powers of its shareholders, directors or officers.

(l) To make donations for the public welfare or for charitable, educational, scientific, civic or similar purposes.

(m) To pay pensions and establish pension plans, pension trusts, profit sharing plans, share bonus plans, share option plans and other incentive plans for any or all of its directors, officers and employees.

(n) To purchase, receive, take, or otherwise acquire, own, hold, sell, lend, exchange, transfer or otherwise dispose of, pledge, use and otherwise deal in and with its own shares.

(o) To be a promoter, incorporator, partner, member, associate, director, officer, shareholder, or manager of any partnership, corporation, limited liability company, joint venture, trust or other enterprise.

(p) To have and exercise all powers necessary or convenient to effect any or all of the purposes for which the corporation is formed.

(q) To de-register and reregister as another entity in accordance with the provisions of Chapter 10.

(r) To re-domicile in accordance with the provisions of Chapter 10 to a jurisdiction, other than a jurisdiction precluded by the legislation of that jurisdiction from accepting a corporation by re-domiciliation or a jurisdiction excluded by the provisions of any relevant statute or regulations of Liberia or by the articles of incorporation of the corporation.

(s) To renounce, in its articles of incorporation or by action of its board of directors, any interest or expectancy of the corporation in, or in being offered an opportunity to participate in, specified business opportunities or specified classes or categories of business opportunities that are presented to the corporation or one or more officers, directors or shareholders.

(t) To guarantee, purchase, take, receive, subscribe for or otherwise acquire; own, hold, use or otherwise employ; sell, lease, exchange, transfer or otherwise dispose of; mortgage, lend, pledge or otherwise deal in and with, bonds and other obligations of, or shares or other securities or interests in, or issued by, any other

domestic or foreign corporation, partnership, limited liability company, association, other entity or individual, or by any government or agency or instrumentality thereof; exercise all the rights, powers and privileges of ownership of securities, including the right to vote.

(u) To give guarantees which are in furtherance of the corporate purposes of (a) a corporation, all of the outstanding stock of which is owned, directly or indirectly, by the contracting corporation, or (b) a corporation which owns, directly or indirectly, all of the outstanding stock of the contracting corporation, or (c) a corporation, all of the outstanding stock of which is owned, directly or indirectly, by a corporation which owns, directly or indirectly, all of the outstanding stock of the contracting corporation, which guarantees shall be deemed to be in furtherance of the corporate purposes of the contracting corporation.

Prior legislation: 1956 Code 4:5; Lib. Corp. L., 1948, §5; 1976 Liberian Code of Laws Revised; Chapter 2, §2.2; amended effective June 19, 2002

§2.3. Guarantee authorized by shareholders.

A guarantee may be given by a corporation, although not in furtherance of its corporate purposes, when authorized at a meeting of shareholders by vote of the holders of a majority of all outstanding shares entitled to vote thereon. If authorized by a like vote, such guarantee may be secured by a mortgage or pledge of, or the creation of a security interest in, all or any part of the corporate property, or any interest therein, wherever situated.

§2.4. Defense of ultra vires.

No act of a corporation and no transfer of real or personal property to or by a corporation, otherwise lawful, shall be invalid by reason of the fact that the corporation was without capacity or power to do such act or to make or receive such transfer, but such lack of capacity or power may be asserted:

(a) In an action by a shareholder against the corporation to enjoin the doing of any act or the transfer of real or personal property by or to the corporation. If the unauthorized act or transfer sought to be enjoined is being, or is to be, performed

or made under any contract to which the corporation is a party, the court may, if all of the parties to the contract are parties to the action and if it deems the same to be equitable, set aside and enjoin the performance of such contract, and in so doing may allow to the corporation or to the other parties to the contract, as the case may be, such compensation as may be equitable for the loss or damage sustained by any of them from the action of the court in setting aside and enjoining the performance of such contract; provided that anticipated profits to be derived from the performance of the contract shall not be awarded by the court as a loss or damage sustained;

(b) In an action by the corporation, whether acting directly or through a receiver, trustee, or other legal representative, or through shareholders in a derivative suit against the incumbent or former officers or directors of the corporation for loss or damage due to their unauthorized act; and

(c) In a proceeding by the Minister of Justice, as provided in the Civil Procedure Law, or by the Registrar or the Deputy Registrar pursuant to or under authority of any provision of this Act, to dissolve the corporation, or to enjoin it from the doing of unauthorized business.

§2.5. Effect of incorporation; corporation as proper party to action.

A corporation is a legal entity, considered in law as a fictional person distinct from its shareholders, and with separate rights and liabilities. The corporation is a proper plaintiff in a suit to assert a legal right of the corporation and a proper defendant in a suit to assert a legal right against the corporation; and the naming of a shareholder, director, officer or employee of the corporation as a party to a suit in Liberia to represent the corporation is subject to a motion to dismiss if such party is the sole party to sue or defend, or subject to a motion for misjoinder if such party is joined with another party who is a proper party and has been joined only to represent the corporation.

§2.6. Liability of directors, officers, and shareholders.

Unless otherwise provided by law, the directors, officers, and shareholders of a domestic corporation shall not be liable for corporate debts and obligations; provided that this provision shall not eliminate or limit the liability of a director for:

(a) Any breach of the director's duty of loyalty to the corporation or its shareholders;

(b) Acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;

(c) Any transaction from which the director derived an improper personal benefit.

This provision shall not eliminate or limit the liability of a director, officer, or shareholder for any act or omission occurring prior to the date when it became effective.

Prior legislation: 1976 Liberian Code of Laws Revised; Chapter 2, §2.6; amended effective June 19, 2002

CHAPTER 3.

SERVICE OF PROCESS; REGISTERED AGENT

§3.1. Registered agent for service of process.
§3.2. Minister of Foreign Affairs as agent for service of process.
§3.3. Service of process on foreign corporation not authorized to do business in Liberia.
§3.4. Records and certificates of Ministry of Foreign Affairs.
§3.5. Limitation and effect of Chapter.

§3.1. Registered agent for service of process.

1. *Registered Agent*.

(a) Every domestic corporation or foreign corporation authorized to do business in Liberia or foreign maritime entity registered under the provisions of Section 13.1 shall designate a registered agent in Liberia upon whom process against such corporation or foreign maritime entity or any notice or demand required or permitted by law to be served may be served. The registered agent for a corporation having a place of business in Liberia shall be a resident domestic corporation having a place of business in Liberia or a natural person, resident of and having a business address in Liberia. The registered agent for a domestic or foreign corporation not having a place of business in Liberia or for a foreign maritime entity shall be a domestic bank or trust company with a paid in capital of not less than US$50,000.00, which is authorized by the Legislature of the Republic to act as registered agent for such corporation or foreign maritime entity.

(b) Effective as of January 1, 2000, as a prerequisite for a domestic bank or trust company to act as a registered agent, it shall additionally be required to apply for and obtain a license from the Minister of Foreign Affairs authorizing it to act as a registered agent and it must also specifically be authorized by written contract with the Liberian Government to act as a registered agent.

(c) That while the primary function of the statutory registered agent, as agent for non-resident domestic business entities, is service of process, given the new statutory and regulatory requirements imposed on resident domestic and non-resident

Liberian entities to keep adequate accounting and other records, including ownership information, the statutory registered agent shall be responsible to ensure the keeping of the required information of directors, management and ownership on all non-resident domestic business entities and to ensure accessibility and availability of that information to the relevant competent authorities.

(d) The statutory registered agent is subject to the applicability of Anti-Money Laundering (AML) standards, the same as any other resident entity, in carrying out and performing the functions assigned to it or associated with it in the capacity as statutory registered agent, and is subject to the requirements and impositions stipulated by the relevant provisions of the AML. In connection with the foregoing, the statutory registered agent shall mandatorily require the entities for which it serves as the registered agent, to annually record the information on directors, management and ownership, to ensure that such business entities are in full compliance with the law, do not act in violation of any of the provisions of the AML, and are subject to enforcement against them for any identified violations of the AML.

(e) A domestic corporation or a foreign corporation authorized to do business in Liberia, or a foreign maritime entity which fails to maintain a registered agent shall be dissolved or its authority to do business or registration shall be revoked, as the case may be, in accordance with Sections 11.3, 12.7 or 13.4.

(f) In cases where the registered agent of a domestic corporation or foreign corporation authorized to do business in Liberia or of a foreign maritime entity fails to meet the requirements of this Section 3.1, the good standing of such corporation or entity for which such registered agent is acting shall not be affected and the provisions of Section 3.1(c) shall be suspended so long as the annual registration fees of such corporation or entity are not outstanding and at the time such annual fees were paid they were paid to an entity which then qualified to serve as a registered agent.

(g) In cases where a registered agent fails to meet the requirements of this Section 3.1, the domestic corporation or foreign corporation authorized to do business in Liberia or foreign maritime entity for which such registered agent is acting shall, notwithstanding any contrary provisions of this Act, not be required to amend its articles of incorporation or other constituent documents to designate a new registered agent, and such designation may be made in accordance with procedures approved by the Registrar or the Deputy Registrar which may include the waiver of the provisions of Section 1.4.

(h) Whenever a registered agent is no longer qualified to serve as a registered agent under Section 3.1, the Registrar or the Deputy Registrar shall appoint any other entity qualified to serve as a registered agent pursuant to Section 3.1 until such corporation or foreign maritime entity appoints a new registered agent qualified under Section 3.1.

(i) The provisions of Section 3.1.1 shall apply to all corporations incorporated under the Liberian Corporation Law of 1948.

2. *Manner of service*. Service of process on a registered agent may be made in the manner provided by law for the service of summons as if the registered agent were a defendant.

3. *Resignation by registered agent*. Any registered agent of a corporation may resign as such agent upon filing a written notice thereof with the Registrar or the Deputy Registrar, who shall cause a copy thereof to be sent by registered mail to the corporation at the address of the office of the corporation within or without Liberia, or, if none, at the last known address of a person at whose request the corporation was formed. No designation of a new registered agent shall be accepted for filing unless all charges owing to the former agent shall have been paid.

4. *Making, revoking or changing designation by corporation*. A designation of a registered agent under Section 3.1 may be made, revoked, or changed by filing an appropriate notification with the Registrar or the Deputy Registrar.

5. *Termination of designation*. The designation of a registered agent shall terminate 30 days after the filing with the Registrar or the Deputy Registrar, of a notice of resignation or sooner if a successor agent is designated.

6. *Notification by registered agent to corporation*. A registered agent, when served with process, notice or demand for the corporation which he represents, shall transmit the same to the corporation by personal notification or in the following manner: Upon receipt of the process, notice or demand, the registered agent shall cause a copy of such paper to be mailed to the corporation named therein at its last known address. Such mailing shall be by registered mail. As soon thereafter as possible if process was issued in Liberia, the registered agent shall file with the clerk of the Liberian court issuing the process or with the agency of the Liberian government issuing the notice or demand either the receipt of such registered mailing or an affidavit stating that such mailing has been made, signed by the registered agent, or if the agent is a corporation, by an officer or authorized signatory of the same. Compliance with the provisions of this paragraph shall relieve the registered agent from any further obligation to the corporation for service of the process, notice or demand, but the agent's failure to comply with the provisions of this paragraph shall in no way affect the validity of the service of the process, notice or demand.

7. *Immunity from liability of registered agent*. The registered agent (and any affiliate of any entity acting as registered agent) and any agent, shareholder, member, director, officer, and employee of either such registered agent or such affiliate shall not directly or indirectly be liable for or subject to any liability of any kind, including legal claims, causes of action, suits, debts, counterclaims, sums of money, losses, demands, costs and expenses with respect to their acts or failures to act in the good faith conduct of the registered agent's duties or because of the acts of the corporation, limited liability company, trust, partnership, limited partnership, foreign maritime entity, foundation and other business associations, or other entity for which the registered agent serves as registered agent.

Prior legislation: 1977 Code 5; Part I, ch. 3, §3.1; L. 1965-66; 1956 Code 4:44; L. 1950-51, ch. XXIII, §1; Lib. Corp. L. 1948, §44; 1976 Liberian Code of Laws Revised, Chapter 3, §3.1, amended effective November 26, 1999; June 19, 2002

§3.2. Minister of Foreign Affairs as agent for service of process.

1. *When Minister of Foreign Affairs is agent for service*. Whenever a domestic corporation or foreign corporation authorized to do business in Liberia or a foreign maritime entity registered under Section 13.1 fails to maintain a registered agent in Liberia, or whenever its registered agent cannot with reasonable diligence be found at his business address, then the Minister of Foreign Affairs shall be an agent of such corporation or entity upon whom any process or notice or demand required or permitted by law to be served may be served in respect of actions arising out of the time that the corporation or entity was incorporated or registered in Liberia.

2. *Manner of service*. Service on the Minister of Foreign Affairs as agent of a domestic or foreign corporation authorized to do business or on a foreign maritime entity registered under Section 13.1 shall be made by personally delivering to and leaving with him or his deputy or with any person authorized by the Minister of Foreign Affairs to receive such service, at the office of the Ministry of Foreign Affairs in the City of Monrovia, a copy of such process, notice or demand together with the statutory fee. The Minister of Foreign Affairs shall promptly mail or deliver such copy to such corporation at the business address of its registered agent, or if there is no such office, then the Minister of Foreign Affairs shall mail or deliver such copy, in the case of a resident domestic corporation, in care of any director named in its articles of incorporation at the address stated therein, if any, or its incorporator(s), or in the case of a non-resident domestic corporation, at the address of the corporation without Liberia, or if none, at the last known address of a person at whose request the corporation was formed; or, in the case of a foreign corporation authorized to do business in Liberia, to such corporation at its address as stated in its application for authority to do business in Liberia, or, in the case of a foreign maritime entity registered under Section 13.1, to its principal place of business.

1976 Liberian Code of Laws Revised, Chapter 3, §3.1, amended effective June 19, 2002

§3.3. Service of process on foreign corporation not authorized to do business in Liberia.

1. *Minister of Foreign Affairs as agent to receive service*. Every foreign corporation not authorized to do business in Liberia or not registered under Section 13.1 that does any business in Liberia or does any other act in Liberia, itself or through an agent, which under Section 3.2 of

the Civil Procedure Law confers jurisdiction on Liberian courts as to claims arising out of such act, is deemed to have designated the Minister of Foreign Affairs as its agent upon whom process against it may be served, in any action or special proceeding arising out of or in connection with the doing of such business or the doing of such other act. Such process may be issued from any court in Liberia having jurisdiction of the subject matter.

2. *Manner of service*. Service of such process upon the Minister of Foreign Affairs shall be made by personally delivering to and leaving with him or his deputy, or with any person authorized by the Minister of Foreign Affairs to receive such service, at the office of the Minister of Foreign Affairs in the City of Monrovia, a copy of such process together with the statutory fee. Such service shall be sufficient if a copy of the process is:

(a) Delivered personally without Liberia to such foreign corporation by a person and in the manner authorized to serve process by law of the jurisdiction in which service is made; or

(b) Sent by or on behalf of the plaintiff to such foreign corporation by registered mail at the post office address specified for the purpose of mailing process, on file in the Ministry of Foreign Affairs in the jurisdiction of its incorporation or with any official or body performing the equivalent function thereof, or if no such address is there specified, to its registered agent or other office there specified, or if no such office is specified, to the last address of such foreign corporation known to the plaintiff.

3. *Proof of service*. Proof of service shall be by affidavit of compliance with this Section 3.3 filed, together with the process, within thirty (30) days after such service with the clerk of the court in which the action or special proceeding is pending. If a copy of the process is mailed in accordance with this Section 3.3, there shall be filed with the affidavit of compliance either the return receipt signed by such foreign corporation or other official proof of delivery or, if acceptance was refused, the original envelope with a notation by the postal authorities that acceptance was refused. If acceptance was refused, a copy of the process together with notice of the mailing by registered mail and refusal to accept shall be promptly sent to such foreign corporation at the same address by ordinary mail and the affidavit of compliance shall so state.

Service of process shall be complete ten days after such papers are filed with the clerk of the court. The refusal to accept delivery of the registered mail or to sign the return receipt shall not affect the validity of the service and such foreign corporation refusing to accept such registered mail shall be charged with knowledge of the contents thereof.

§3.4. Records and certificates of Ministry of Foreign Affairs.

The Ministry of Foreign Affairs shall keep a record of each process served upon the Minister of Foreign Affairs under this Chapter, including the date of service. It shall, upon request made within five (5) years of such service, issue a certificate under its seal certifying as to the receipt of the process by an authorized person, the date and place of such service, and the receipt of the statutory fee.

§3.5. Limitation and effect of Chapter.

Nothing contained in this Chapter shall affect the validity of service of process on a corporation effected as provided in the Liberian Civil Procedure Law, or in any other manner permitted by law.

CHAPTER 4.

FORMATION OF CORPORATIONS; CORPORATE NAMES

§4.1. Incorporators.
§4.2. Corporate name.
§4.3. Index of names of corporations.
§4.4. Contents of articles of incorporation.
§4.5. Powers and rights of bondholders.
§4.6. Execution and filing of articles of incorporation.
§4.7. Effect of filing articles of incorporation.
§4.8. Organization meeting.
§4.9. Bylaws.
§4.10. Emergency bylaws.

§4.1. Incorporators.

Any person, legal or natural, singly or jointly with others, and without regard to his or their residence, domicile, or jurisdiction of incorporation, may incorporate or organize a corporation under this Act.

§4.2. Corporate name.

1. *General requirements*. Except as otherwise provided in Section 4.2.2, the name of a domestic or authorized foreign corporation:

(a) Shall contain the word "corporation," "incorporated," "company," or "limited" or an abbreviation of one of those words (with or without punctuation) or, except where the corporation establishes a place of business in Liberia or seeks authorization to do business in Liberia, include as part of its name such words or words, abbreviations, suffix, or prefix of like import of foreign countries or jurisdictions as will clearly indicate that it is a body corporate with separate legal personality as distinguished from a natural person;

Provided, however, that the Registrar or the Deputy Registrar may waive such requirement (unless he determines that the proposed name is, or might otherwise appear to be, that of a natural person) where he is satisfied that the name is the business name of the entity denominated

in accordance with the standards of the economic activity in which the entity is or will be engaged;

(b) Shall not be the same as the name of a corporation of any type or kind, as such name appears on the index of names of existing domestic and authorized foreign corporations and other legal entities kept by the Registrar or the Deputy Registrar or a name so similar to any such name as to tend to confuse or deceive except where the legal entity in existence is in the course of being dissolved and signifies its consent in such manner as the Registrar or the Deputy Registrar requires;

(c) Shall not contain a word, the use of which by the corporation would in the opinion of the Registrar or the Deputy Registrar constitute a criminal offense or be offensive or undesirable;

(d) Shall not contain the words "Chamber of Commerce," "Building Society," "Bank" or "Insurance," or words of similar connotation or a translation of those words, unless the corporation is authorized to use the words by virtue of a license granted by the Government of the Republic of Liberia or under any other relevant Law of the Republic of Liberia;

(e) Shall not contain words which in the opinion of the Registrar or the Deputy Registrar suggest, or are calculated to suggest, the patronage of the Government of the Republic of Liberia or any Ministry thereof;

(f) Shall not contain words specified by the Registrar or the Deputy Registrar for this purpose, except with his consent; and in determining for the purposes of Section 4.2 whether one name is the same as another, there are to be disregarded:

(i) The definite article, where it is the first word of the name;

(ii) The following words and expressions where they appear at the end of a name, that is to say:

"Company" or "and company" or

"Corporation" or "and corporation" or

"Company limited" or "and company limited" or

"Corporation limited" or "and corporation limited" or

"Limited",

or a translation of into, or words with an equivalent meaning in, another language;

(iii) Abbreviations of any of those words or expressions where they appear before or at the end of the name; and

(iv) Type and case of letters, accents, spaces between letters and punctuation marks; and

(v) "and" and "&" are to be taken as the same.

(g) The Registrar or the Deputy Registrar may specify by notice, words or expressions for the registration of which as or as part of a corporate name his approval is required under Section 4.2.1(f), and may make different provisions for different cases or classes of case and may make such transitional provisions and exceptions as he thinks appropriate.

2. *Limitations on scope of requirement*. The provisions of Section 4.2.1 shall not:

(a) Require any corporation, existing or authorized to do business in Liberia on or prior to January 2, 1977 or in the case of Sections 4.2.1(c) through 4.2.1(f), existing or authorized to do business in Liberia on January 3, 1977, to add to, modify or otherwise change its corporate name;

(b) Prevent a corporation with which another corporation, domestic or foreign, is merged, or which is formed by the reorganization or consolidation of one or more domestic or foreign corporations, or upon a sale, lease or other disposition to or exchange with, a domestic corporation of all or substantially all the assets of

another domestic corporation, including its name, from having the same name as any of such corporations if at the time such other corporation was existing under the laws of Liberia or was authorized to do business in Liberia.

3. *Power to require corporation to change name*. Where a corporation has been incorporated by a name which:

(a) Is the same as or, in the opinion of the Registrar or the Deputy Registrar, too similar to a name appearing at the time of registration in the index of names; or

(b) Is the same as or, in the opinion of the Registrar or the Deputy Registrar too similar to the name which should have appeared in that index at that time,

the Registrar or the Deputy Registrar shall, within one (1) year of the time of incorporation, in writing direct the corporation to change its name within such period as he shall specify. The provisions of Section 4.2 apply in determining whether the name is the same as or too similar to another.

4. *Misleading information*. If it appears to the Registrar or the Deputy Registrar that misleading information has been given for the purpose of incorporation with a particular name, or that undertakings or assurances have been given for that purpose and have not been fulfilled, he shall within one year of the date of disclosure or discovery of that fact in writing direct the corporation to change its name within such period as he shall specify, and where a direction has been given under Section 4.2.3 or Section 4.2.4 the Registrar or the Deputy Registrar may by a further direction in writing extend the period within which the corporation has to change its name at any time before the end of that period, provided that the extension shall not exceed one (1) year.

5. *Foreign characters*. Articles of incorporation may include the name of a corporation in foreign characters only if accompanied by a translation to English letters, to the extent permitted by the Registrar or the Deputy Registrar. The Registrar or the Deputy Registrar shall treat the name in English characters for all purposes as the name of the corporation.

Prior legislation: L. 1961-62, ch. XLVII, §1(4:2(a)); 1956 Code 4:2(a); Lib. Corp. L. 1948, §2(a); 1976 Liberian Code of Laws Revised, Chapter 4, §4.2, amended effective June 19, 2002

§4.3. Index of names of corporations.

The Registrar or the Deputy Registrar shall keep an alphabetical index of all names of all existing domestic corporations, re-domiciled corporations, de-registered corporations, limited liability companies, foundations, registered trusts, partnerships and limited partnerships, and any other legal entities from time to time existing under this Act, and foreign maritime entities registered under Section 13.1, and foreign corporations authorized to do business in Liberia. Such index shall be in addition to the records required to be kept by the Registrar or the Deputy Registrar under Section 1.11.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 4, §4.3, amended effective June 19, 2002

§4.4. Contents of articles of incorporation.

1. The articles of incorporation shall set forth:

    (a) The name of the corporation.

    (b) The duration of the corporation if other than perpetual.

    (c) The purpose or purposes for which the corporation is organized. It shall be sufficient to state, either alone or with other businesses or purposes, that the purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under this Act, and by such statement all lawful acts and activities shall be within the purposes of the corporation, except for express limitations, if any.

    (d) The registered address of the corporation in Liberia and the name and address of its registered agent.

    (e) The aggregate number of shares which the corporation shall have the authority to issue; if such shares are to consist of one class only, the par value of each of such shares, or a statement that all of such shares are without par value; or if such shares are to be divided into classes, the number of shares of each class, and a

statement of the par value of the shares of each class or that such shares are to be without par value.

(f) If the shares are to be divided into classes, the designation of each class and a statement of the preferences, limitations and relative rights in respect of the shares of each class.

(g) Where any number of shares is to be issued as registered shares and as bearer shares in the case of a corporation formed on or prior to May 31, 2018, unless otherwise provided, the registered shares may be exchanged for bearer shares and bearer shares for registered shares. In the case of a corporation incorporated after May 31, 2018 or in the case of a corporation formed on or prior to May 31, 2018 and whose articles of incorporation do not permit the issuance of bearer shares (including by operation of Section 5.1.7(a)), the corporation shall be authorized to issue shares in registered form only, and such articles of incorporation shall not be amended to permit the issuance of shares in bearer form.

(h) If a corporation formed on or before May 31, 2018 is authorized to issue bearer shares, the manner in which any required notice shall be given to shareholders of such bearer shares shall conform to the requirements of Section 1.9 and the relevant provision of Section 5.15.

(i) If the corporation is to issue the shares of any preferred or special class in series, then the designation of each series and a statement of the variations in the relative rights and preferences as between series insofar as the same are to be fixed in the articles of incorporation, and a statement of any authority to be vested in the board of directors to establish series and fix and determine the variations in the relative rights and preferences as between series.

(j) The name and address of each incorporator.

(k) A statement affirming in substance that the corporation will comply with all applicable provisions of the Business Corporation Act, including retention, maintenance, and production of accounting, shareholder, beneficial owner, and

director and officer records in accordance with Chapter 8 of the Business Corporation Act. Where the articles of incorporation fail to include the statement specified herein, such statement shall, by force of law, be deemed to be included in the articles of incorporation of all corporations.

(l) If the corporation is precluded from de-registering and registering as another legal entity or re-domiciling to another jurisdiction, and any steps in excess of or in variation to the provisions of this Act in respect of de-registration, reregistration and re-domiciliation and any restrictions as to the form of legal entity as which the corporation may de-register and reregister or the jurisdiction to which it may re-domicile.

(m) Any provision, not inconsistent with law, which the incorporators elect to set forth in the articles of incorporation for the regulation of the affairs of the corporation, including the designation of initial directors, subscription of shares by the incorporators, and any provision restricting the transfer of shares or providing for greater quorum or voting requirements with respect to shareholders or directors than are otherwise prescribed in this Act, and any provision which under this Act is required or permitted to be set forth in the bylaws.

2. Notwithstanding, it is not necessary to enumerate in the articles of incorporation the general corporate powers stated in Section 2.2.

3. The articles of incorporation may include a provision eliminating or limiting the personal liability of a director to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, provided that such provision shall not eliminate or limit the liability of a director: (i) for any breach of the director's duty of loyalty to the corporation or its shareholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law; or (iii) for any transaction from which the director derived an improper personal benefit. No such provision shall eliminate or limit the liability of a director for any act or omission occurring prior to the date when such provision becomes effective. All references in Section 4.4.3 to a director shall also be deemed to refer to such other person or

persons, if any, who exercise or perform any of the powers or duties otherwise conferred or imposed upon the board of directors by this Act.

4. The articles of incorporation shall not contain any provision that would impose liability on a shareholder for the attorney's fees or expenses of the corporation or any other party in connection with an internal corporate claim.

Prior legislation: L. 1961-62, ch. XLVII, §l (14:2); 1956 Code 4:22; Lib. Corp. L., 1948, §2; 1976 Liberian Code of Laws Revised, Chapter 4, §4.4, amended effective June 19, 2002; amended effective April 23, 2018

§4.5. Powers and rights of bondholders.

1. The articles of incorporation may confer upon the holders of any bonds, debentures, or other obligations issued or to be issued by the corporation, whether secured by mortgage or otherwise or unsecured, any one or more of the following powers and rights:

(a) The power to vote on the election of directors, or other matters specified in the articles of incorporation;

(b) The right of inspection of books of account, minutes, and other corporate records;

(c) Any other rights to information concerning the financial condition of the corporation which its shareholders have or may have.

2. If the articles of incorporation so provide, the holders of bonds, debentures or other obligations shall be deemed to be shareholders, and their bonds, debentures or other obligations shall be deemed to be shares of stock, for the purpose of any provision of this Act which requires the vote of shareholders as a prerequisite to any corporate action and the articles of incorporation may divest the holders of capital stock, in whole or in part, of their right to vote on any corporate matter whatsoever, except as set forth in Section 9.4.

§4.6. Execution and filing of articles of incorporation.

Articles of incorporation shall be signed and acknowledged by each incorporator and filed with the Registrar or the Deputy Registrar in conformity with the provisions of Section 1.4. On filing

the articles of incorporation, the Registrar or the Deputy Registrar shall indicate thereon whether the corporation is a resident domestic corporation or a non-resident domestic corporation.

Prior legislation: 1956 Code 4:2, 3; L. 1950-51, ch. XXXIII, §1; Lib. Corp. L., 1948, §3; 1976 Liberian Code of Laws Revised, Chapter 4, §4.6, amended effective June 19, 2002

§4.7. Effect of filing articles of incorporation.

The corporate existence begins upon filing the articles of incorporation effective as of the filing date stated thereon. The endorsement by the Registrar or the Deputy Registrar shall be conclusive evidence that all conditions precedent required to be performed by the incorporators have been complied with and that the corporation has been incorporated under this Act.

Prior legislation: 1956 Code 4:3; L. 1950-51, ch. XXXIII, §1; Lib. Corp. L., 1948, §3; 1976 Liberian Code of Laws Revised, Chapter 4, §4.7, amended effective June 19, 2002

§4.8. Organization meeting.

1. *Meeting*. After the filing of the articles of incorporation an organization meeting or meetings of the corporation, shall be held, either within or without Liberia, for the purpose of electing directors, appointing officers, adopting bylaws and doing such acts to perfect the organization of the corporation as are deemed appropriate and transacting such other business as may come before the meeting or meetings.

2. *Attendees*. The organization meeting or meetings may be held by:

(a) The original directors, if named in the articles of incorporation; or

(b) The incorporator or incorporators, in person or by proxy, whether or not they are subscribers; or

(c) If the articles of incorporation state that the incorporators or others have subscribed to shares, by such subscribers; or

(d) If the subscriptions have been transferred, by the transferee of subscription rights.

3. *Written consent*. Any action permitted to be taken at the organization meeting of the initial directors, incorporators, subscribers or transferees of subscription rights, as applicable, may be taken without a meeting if each director, incorporator, subscriber or transferee, as applicable, or the proxy of any of the foregoing, consents to and signs an instrument setting forth the action so taken.

4. *Inability to act*. If any incorporator is not for any reason available to act, then any person for whom or on whose behalf the incorporator was acting, directly or indirectly, as employee or agent, may take any action that such incorporator would have been authorized to take under this Section 4.8; provided that any instrument signed by such other person, or any record of the proceedings of a meeting in which such person participated, shall state that such incorporator is not available and the reason therefor, that such incorporator was acting directly or indirectly as employee or agent for or on behalf of such person, and that such person's signature on such instrument or participation in such meeting is otherwise authorized and not wrongful.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 4, §4.8, amended effective June 19, 2002

§4.9. Bylaws.

1. *Power to make bylaws*. The bylaws of a corporation may be adopted, amended or repealed by the incorporators, by the initial directors if they were named in the articles of incorporation, or, before a corporation has received any payment for any of its shares, by its board of directors. After a corporation has received any payment for any of its shares, the power to adopt, amend or repeal the bylaws shall be in the shareholders entitled to vote; provided however, any corporation may, in the articles of incorporation, confer the power to adopt, amend or repeal bylaws upon the directors. The fact that such power has been so conferred upon the directors shall not however divest the shareholders of the power, nor limit their power to adopt, amend or repeal bylaws.

2. *Scope*. The bylaws may contain any provision, not inconsistent with the law or the articles of incorporation, relating to the business of the corporation, the conduct of its affairs, and its rights or powers or the rights or powers of its shareholders, directors, officers or employees. The bylaws shall not contain any provision that would impose liability on a shareholder for the

attorneys' fees or expenses of the corporation or any other party in connection with an internal corporate claim.

Prior legislation: L. 1961-62, ch. XLVII, & 2(4: 24(a)); 1956 Code 4: 25; Lib. Corp. L., 1948, §25; 1976 Liberian Code of Laws Revised, Chapter 4, §4.9, amended effective June 19, 2002

§4.10. Emergency bylaws.

1. *Emergency bylaws and other powers in emergency*. The board of directors of any corporation may adopt emergency bylaws, subject to repeal or change by action of the shareholders, which shall notwithstanding any different provision elsewhere in this Chapter or in the articles of incorporation or bylaws, be operative during any emergency resulting from an attack on the Republic of Liberia or on a locality in which the corporation conducts its business or customarily holds meetings of its board of directors or its shareholders, or during any nuclear or atomic disaster, or during the existence of any catastrophe, or other similar emergency condition, as a result of which a quorum of the board of directors or a standing committee thereof cannot readily be convened for action. The emergency bylaws may make any provision that may be practical and necessary for the circumstances of the emergency, including provisions that:

(a) A meeting of the board of directors or a committee thereof may be called by any officer or director in such manner and under such conditions as shall be prescribed in the emergency bylaws;

(b) The director or directors in attendance at the meeting, or any greater number fixed by the emergency bylaws, shall constitute a quorum; and

(c) The officers or other persons designated on a list approved by the board of directors before the emergency, all in such order of priority and subject to such conditions and for such period of time (not longer than reasonably necessary after the termination of the emergency) as may be provided in the emergency bylaws or in the resolution approving the list, shall, to the extent required to provide a quorum at any meeting of the board of directors, be deemed directors for such meeting.

2. *Powers of directors*. The board of directors, either before or during any such emergency, may:

(a) Provide, and from time to time modify, lines of succession in the event that during such emergency any or all officers or agents of the corporation shall for any reason be rendered incapable of discharging their duties;

(b) Effective in the emergency, change the head office or designate several alternative head offices or regional offices, or authorize the officers so to do.

3. *Liability*. No officer, director or employee acting in accordance with any emergency bylaws shall be liable except for wilful misconduct.

4. *Normal bylaws*. To the extent not inconsistent with any emergency bylaws so adopted, the bylaws of the corporation shall remain in effect during any emergency and upon its termination the emergency bylaws shall cease to be operative.

5. *Notices*. Unless otherwise provided in the emergency bylaws, notice of any meeting of the board of directors during an emergency may be given only to such of the directors as may be feasible to reach at the time and by such means as may be feasible at the time, including publication or radio.

6. *Quorum*. To the extent required to constitute a quorum at any meeting of the board of directors during an emergency, the officers of the corporation who are present shall, unless otherwise provided in the emergency bylaws, be deemed, in order of rank and within the same rank in order of seniority, directors for such meeting.

7. *Non-exclusive*. Nothing contained in Section 4.10 shall be deemed exclusive of any other provisions for emergency powers consistent with other sections of this Chapter which have been or may be adopted by corporations created under this Act.

Effective: June 19, 2002

CHAPTER 5.

CORPORATE FINANCE

§5.1. Classes and series of shares.
§5.2. Restrictions on transfer of shares.
§5.3. Subscription for shares.
§5.4. Consideration for shares.
§5.5. Payment for shares.
§5.6. Compensation for formation, reorganization and financing.
§5.7. Determination of stated capital.
§5.8. Form and content of certificates.
§5.9. Dividends in cash, stock or other property.
§5.10. Share dividends.
§5.11. Purchase or redemption by corporation of its own shares.
§5.12. Acquired shares.
§5.13. Reduction of stated capital by action of the board.
§5.14. Situs of ownership of shares.
§5.15. Custodial Requirements for Bearer Share Certificates.
§5.16. Business combinations with interested shareholders.
§5.17. Ratification of defective corporate acts and stock.
§5.18. Proceedings regarding validity of defective corporate acts and shares.

§5.1. Classes and series of shares.

1. *Power to issue*. Every corporation shall have power to issue the number of shares stated in its articles of incorporation, provided that only registered shares can be uncertificated. Any person, legal or natural, may hold shares. Such shares may be of one or more classes or one or more series within any class thereof, any or all of which classes may be of shares with par value or shares without par value, and may be registered shares and/or bearer shares as to corporations incorporated on or prior to May 31, 2018 but only registered shares as to corporations incorporated after May 31, 2018, with such voting powers, full or limited, or without voting powers and in such series and with such designations, preferences and relative, participating, optional or special rights and qualifications, limitations or restrictions thereon as shall be stated in the articles of incorporation or in the resolution providing for the issue of such shares, adopted by the board of directors pursuant to authority expressly vested in it by provisions of the articles of incorporation.

2. *Convertible shares*. The articles of incorporation or the resolution providing for the issue of shares adopted by the board of directors may provide that shares of any class of shares or of any series of shares within any class thereof shall be convertible into the shares of one or more other classes of shares or series except into shares of a class or series having rights or preferences as to dividends or distribution of assets upon liquidation which are prior or superior in rank to those of the shares being converted.

3. *Redeemable shares*. A corporation may provide in its articles of incorporation for one or more classes or series of shares which are redeemable, in whole or in part, at the option of the corporation at such price or prices, within such period and under such conditions as are stated in the articles of incorporation or in the resolution providing for the issue of such shares adopted by the board of directors pursuant to authority expressly vested in it by the provisions of the articles of incorporation.

4. *Fractional shares*. A corporation may issue fractional shares.

5. *Shares provided for by resolution of board*. Before any corporation shall issue any shares of any class or of any series of any class of which the voting powers, designations, preferences and relative, participating, optional or other rights, if any, or the qualifications, limitations, or restrictions thereof, if any, have not been set forth in the articles of incorporation, but are provided for in a resolution adopted by the board of directors pursuant to authority expressly vested in it by the provisions of the articles of incorporation, a statement setting forth a copy of such resolution and the number of shares of the class or series to be issued shall be executed, acknowledged, and filed with the Registrar or the Deputy Registrar in accordance with Section 1.4. Upon the filing of such statement, the resolution establishing and designating the class or series and fixing the relative rights and preferences thereof shall become effective and shall constitute an amendment of the articles of incorporation.

6. *Conversion of bearer shares*.

(1) Every corporation incorporated on or before May 31, 2018, having authority in its articles of incorporation to issue shares in bearer form, no later than thirty (30) days after the first anniversary of the date of its incorporation subsequent to

December 31, 2018, which first anniversary of the date of its incorporation subsequent to December 31, 2018 is the "Conversion Date", and even if it has no shares in bearer form outstanding at that time, shall, subject to Section 5.1.6.2, either:

(a) cause its articles of incorporation to be amended to authorize registered shares only; or

(b) cause each holder of its shares in bearer form to either (i) convert such shares to registered form; or (ii) deposit the certificate for each such share with a Custodian pursuant to a custodial agreement entered into between such holder and the Custodian in accordance with Section 5.15.

(2) If no shares in bearer form have yet been issued, but a corporation prefers to retain the authority to issue shares in bearer form, the corporation shall make submissions to the Registrar annually in accordance with Section 8.6.1. If a corporation issues shares in bearer form after the Conversion Date, the bearer thereof shall deposit the share certificate with a Custodian in accordance with Sections 5.1.6(b)(ii) and 5.15, or convert such shares to registered form.

7. *Automatic conversion of bearer shares*. If any corporation fails to comply with the provisions of Section 5.1.6, then with effect on the Conversion Date:

(a) its articles of incorporation shall be deemed automatically amended without the necessity of filing any instrument of amendment, to authorize shares in registered form only and that any shares then outstanding in bearer form shall be converted to registered form; and

(b) each of its issued and outstanding shares in bearer form shall be disabled. For purposes of Section 5.1.7, "disabled" means that the relevant shares remain outstanding without any change in stated capital, but do not carry any of the rights that would ordinarily attach to such shares, and any holder of a bearer certificate representing any relevant shares shall not have any right to vote such shares, to receive any dividends or any distribution of the assets of the corporation in the

event of a dissolution or winding up of the corporation, or to transfer any interest in such shares (and the corporation may not reacquire any relevant shares), except that the holder of a bearer certificate representing any relevant share shall have the right to exchange the certificate for such share for a certificate in its name representing such share in registered form.

(c) Bearer shares which are rendered disabled on account of the failure of the corporation or the shareholder(s) to meet the conversion requirements, or to deposit the bearer share certificates with an approved custodian, the holder(s) thereof, must, not later than December 31, 2020, convert the disabled shares to registered shares or such shares shall, by operation of law and without any further action by the corporation, be returned to the status of authorized but unissued shares on December 31, 2020.

8. *Penalties*. A corporation not in compliance with the provisions of Section 5.1 shall be liable to a fine of not less than Three Thousand United States Dollars (US$3,000.00) but not exceeding Five Thousand United States Dollars (US$5,000.00), or subject to revocation or cancellation of the corporation's articles of incorporation, certificate to do business, or dissolution, or any combination of the penalties herein prescribed.

Prior legislation: 1956 Code 4:5; Lib. Corp. L., 1948, §6; 1976 Liberian Code of Laws Revised, Chapter 5, §5.1, amended effective June 19, 2002; amended effective April 23, 2018

§5.2. Restrictions on transfer of shares.

1. *In general*. A restriction on the transfer of shares of a corporation may be imposed either by the articles of incorporation or by the bylaws or by an agreement among any number of shareholders or among such holders and the corporation. No restriction so imposed shall be binding with respect to shares issued prior to the adoption of the restriction unless the holders of the shares are parties to an agreement or voted in favor of the restriction. Any restriction which absolutely prohibits the transfer of shares shall be null.

2. *Restrictions*. Without limiting the provisions of Section 5.2.1, restrictions on the transfer of shares which are permissible include those which:

(a) Obligate the holder of the restricted shares to offer to the corporation or to any other holders of securities of the corporation or to any person or to any combination of the foregoing, a prior opportunity, to be exercised within a reasonable time, to acquire the restricted shares; or

(b) Obligate the corporation or any holder of shares of the corporation or any other person or any combination of the foregoing, to purchase at a specified price the shares which are the subject of an agreement respecting the purchase and sale of the restricted securities; or

(c) Require the corporation or the holders of the shares to consent to any proposed transfer of the restricted shares or to approve the proposed transferee of the restricted shares; or

(d) Prohibit the transfer of the restricted shares to designated persons or classes of persons, and such designation is not manifestly unreasonable; or

(e) Impose any other restriction on the transfer of the shares for the purpose of maintaining an advantage presently enjoyed by the corporation or of accomplishing the business purpose of the corporation.

3. *Annotation*. Any transfer restriction adopted under this Section 5.2 shall be conspicuously noted on the face or the back of the stock certificate, and in the case of uncertificated shares, upon the books and records of the corporation.

Prior legislation: 1956 Code 4:15; Lib. Corp. L., 1948, §15; 1976 Liberian Code of Laws Revised, Chapter 5, §5.2, amended effective June 19, 2002

§5.3. Subscription for shares.

1. *Irrevocability of subscription for six (6) months*. A subscription for shares of a corporation to be organized shall be irrevocable for a period of six (6) months from its date unless otherwise provided by the terms of the subscription agreement or unless all of the subscribers consent to the revocation of such subscription.

2. *Writing required*. A subscription, whether made before or after the formation of a corporation, shall not be enforceable unless in writing and signed by the subscriber.

3. *Time of payment calls*. Unless otherwise provided in the subscription agreement, subscriptions for shares, whether made before or after the organization of a corporation, shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment on subscriptions shall be uniform as to all shares of the class or as to all shares of the same series, as the case may be.

4. *Default in payment; penalties*. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation. The bylaws may prescribe a penalty for failure to pay installments or calls that may become due, but no penalty resulting in a forfeiture of a subscription, or of the amounts paid thereon, shall be declared as against any subscriber unless the amount due thereon shall remain unpaid for a period of thirty (30) days after written demand has been made therefor. If mailed, such written demand shall be deemed to be made when sent by registered mail or courier service, addressed to the subscriber at his last post office address known to the corporation. In the event of the sale of any shares by reason of any forfeiture, the excess of proceeds realized over the amount due and unpaid on such shares shall be paid to the delinquent subscriber or to his legal representative. If no prospective purchaser offers a cash price sufficient to pay the full balance owed by the delinquent subscriber plus the expenses incidental to such sale, the shares subscribed for shall be cancelled and restored to the status of authorized but unissued shares and all previous payments thereon shall be forfeited to the corporation and transferred to surplus.

5. *Transfer of subscriptions*. Subscriptions for shares are transferable unless otherwise provided in a subscription agreement.

Prior legislation: 1956 Code 4:10; Lib. Corp. L., 1948, §10; 1976 Liberian code of Laws Revised, Chapter 5, §5.3, amended effective June 19, 2002

§5.4. Consideration for shares.

1. *Quality of consideration*. Consideration for subscriptions to, or the purchase of, shares shall be paid in such form and in such manner as the board of directors shall determine. The board of directors may authorize shares to be issued for consideration consisting of cash, any tangible or intangible property or any benefit to the corporation, or any combination thereof. The resolution authorizing the issuance of capital stock may provide that any stock to be issued pursuant to such resolution may be issued in one or more transactions in such numbers and at such times as are set forth in or determined by or in the manner set forth in the resolution, which may include a determination or action by any person or body, including the corporation, provided the resolution fixes a maximum number of shares that may be issued pursuant to such resolution, and a time period during which such shares may be issued and a minimum amount of consideration for which such shares may be issued if shares are to be issued more than sixty (60) days after the date of the resolutions. The board of directors may determine the amount of consideration for which shares may be issued by setting a minimum amount of consideration or approving a formula by which the amount or minimum amount of consideration is determined. The formula may include or be made dependent upon facts ascertainable outside the formula, provided the manner in which such facts shall operate upon the formula is clearly and expressly set forth in the formula or in the resolution approving the formula. In the absence of actual fraud in the transaction, the judgment of the directors as to the value of the consideration received for shares shall be conclusive. The capital stock so issued shall be deemed to be fully paid and nonassessable stock upon receipt by the corporation of such consideration; provided, however, that nothing contained herein shall prevent the board of directors from issuing partly paid shares under Section 5.5.1.

2. *Amount of consideration for shares with par value*. Shares with par value may be issued for such consideration, not less than the par value thereof, as is fixed from time to time by the board.

3. *Amount of consideration for shares without par value*. Shares without par value may be issued for such consideration as is fixed from time to time by the board unless the articles of incorporation reserve to the shareholders the right to fix the consideration. If such right is

reserved as to any shares, a vote of the shareholders shall either fix the consideration to be received for the shares or authorize the board to fix such consideration.

4. *Disposition of treasury shares*. Treasury shares may be disposed of by a corporation on such terms and conditions as are fixed from time to time by the board, or, if the articles of incorporation so provide, by the shareholders.

5. *Consideration for share dividends*. That part of the surplus of a corporation which is transferred to stated capital upon the issuance of shares as a share dividend shall be deemed to be consideration for the issuance of such shares.

Prior legislation: 1956 Code 47; Lib. Corp. L., 1948, §§7,8; 1976 Liberian code of Laws Revised, Chapter 5, §5.4, amended effective June 19, 2002

§5.5. Payment for shares.

1. *Partly paid shares*. Any corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each certificate issued to represent any such partly paid shares, or upon the books and records of the corporation in the case of uncertificated partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully paid shares, the corporation shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

2. *Liability of shareholder or subscriber for shares not paid in full*. When the whole of the consideration payable for shares of a corporation has not been paid in, and the assets shall be insufficient to satisfy the claims of its creditors, each holder of, or subscriber for, such shares shall be bound to pay on each share held or subscribed for by such holder or subscriber the sum necessary to complete the amount of the unpaid balance of the consideration for which such shares were issued, or are to be issued, by the corporation. Any person becoming an assignee or transferee of shares, or of a subscription for shares, in good faith and without knowledge or notice that the full consideration therefor has not been paid, shall not be personally liable for any unpaid portion of such consideration, but the transferor shall remain liable therefor. No person

holding shares in any corporation as collateral security shall be personally liable as a shareholder, but the person pledging such shares shall be considered the holder thereof and shall be so liable. No executor, administrator, guardian, trustee or other fiduciary shall be personally liable as a shareholder, but the estate or funds held by such executor, administrator, guardian, trustee or other fiduciary in such fiduciary capacity shall be liable. No liability under Section 5.5.2 shall be asserted more than six (6) years after the issuance of the shares or after the date of the subscription upon which the assessment is sought.

3. *Payment for shares not paid in full*. The capital of a corporation shall be paid for in such amounts and at such times as the directors may require. The directors may, from time to time, demand payment, in respect of each share not fully paid, of such sum of money as the necessities of the business may, in the judgment of the board of directors, require, not exceeding in the whole the balance remaining unpaid on partly paid shares, and such sum so demanded shall be paid to the corporation at such times and by such installments as the directors shall direct. The directors shall give written notice of the time and place of such payments, which notice shall be given at least thirty (30) days before the time for such payment, to each holder of, or subscriber for, shares which are not fully paid, at such holder's or subscriber's last known address.

4. *Failure to pay for shares; remedies*. When any shareholder fails to pay any installment or call upon such shareholder's shares which may have been properly demanded by the directors, at the time when such payment is due, the directors may collect the amount of any such installment or call, or any balance thereof, remaining unpaid, from the shareholder by an action at law, or they shall sell such part of the shares of such delinquent shareholder as will pay all demands then due from such shareholder with interest and all incidental expenses, and shall transfer the shares so sold to the purchaser, who shall be entitled to a certificate therefor. Notice of the sale and of the sum due on each share shall be sent by the corporation to such delinquent shareholder, at such shareholder's last known address, at least twenty (20) days before such sale. If no purchaser can pay the amount due on the shareholding, and if the amount is not collected by an action at law, the shareholding and the amount previously paid in by the delinquent shareholder on the shares shall be forfeited to the corporation.

Prior legislation: 1956 Code 4:7, 9, 10, 11, 12; Lib. Corp. L. 1948, §§ 7, 9, 10, 11, 12; 1976 Liberian Code of Laws Revised, Chapter 5, §5.5, amended effective June 19, 2002

§5.6. Compensation for formation, reorganization and financing.

The reasonable charges and expenses of formation or reorganization of a corporation, and the reasonable expenses of and compensation for the sale or underwriting of its shares may be paid or allowed by the corporation out of the consideration received by it in payment for its shares without thereby rendering such shares not fully paid or assessable.

§5.7. Determination of stated capital.

1. *On shares with par value*. Upon issue by a corporation of shares with a par value not in excess of the authorized shares, the consideration received therefor shall constitute stated capital to the extent of the par value of such shares, and the excess, if any, of such consideration shall constitute surplus.

2. *On shares without par value*. Upon issue by a corporation of shares without par value not in excess of the authorized shares, the entire consideration received therefor shall constitute stated capital unless the board within a period of sixty (60) days after issue allocates to surplus a portion, but not all, of the consideration received for such shares. No such allocation shall be made of any portion of the consideration received for shares without par value having a preference in the assets of the corporation upon involuntary liquidation except all or part of the amount, if any, of such consideration in excess of such preference, nor shall such allocation be made of any portion of the consideration for the issue of shares without par value which is fixed by the shareholders pursuant to a right reserved in the articles of incorporation, unless such allocation is authorized by vote of the shareholders.

3. *Increase by transfer from surplus*. The stated capital of a corporation may be increased from time to time by resolution of the board transferring all or part of surplus of the corporation to stated capital.

Prior legislation: 1956 Code 4:18; Lib. Corp. L., 1948, §18

§5.8. Form and content of certificates.

1. *Signature and seal*. Subject to Section 5.8.6, the shares of a corporation shall be represented by certificates signed by any one or more officer(s) or director(s) of the corporation,

and may be sealed with the seal of the corporation, if any, or a facsimile thereof. The signature of any officer or director upon a certificate may be a facsimile if the certificate is countersigned by a transfer agent or registrar other than the corporation itself or its employees. In case any officer or director who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer or director before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer or director at the date of issue.

2. *Registered or bearer shares*. Shares may be issued by a corporation either in registered form or in bearer form, where the corporation was incorporated on or prior to May 31, 2018, and if permitted by the corporation's articles of incorporation, or in registered form only, where the corporation was incorporated after May 31, 2018, provided that the articles of incorporation prescribe the manner in which any required notice is to be given to shareholders of bearer shares in conformity with Section 1.9 and any relevant provisions of Section 5.15, or any other provisions of this Act.

3. *Method of transfer of bearer shares*. The transfer of bearer shares shall be by delivery of the certificates, except as provided in Section 5.15. Further, in the case of a corporation formed on or before May 31, 2018, except where the articles of incorporation provide otherwise, on request of a shareholder of a corporation which has both bearer shares and registered shares authorized to be issued, the bearer shares shall be exchanged for registered shares.

4. *Statement regarding class and series*. Each certificate representing shares issued by a corporation which is authorized to issue shares of more than one class shall set forth upon the face or back of the certificate, or shall state that the corporation will furnish to any shareholder upon request and without charge, a full statement of the designation, relative rights, preferences and limitations of the shares of each class authorized to be issued, and, if the corporation is authorized to issue any class of preferred shares in series, the designation, relative rights, preferences and limitations of each such series, so far as the same have been fixed, and the authority of the board to designate and fix the relative rights, preferences and limitations of other series.

5. *Other statements on certificate*. In addition to any other applicable provisions or requirements contained in this Act, each certificate representing shares shall when issued state upon the face thereof:

(a) That the corporation is formed under the laws of Liberia;

(b) The name of the person or persons to whom issued, if a registered share;

(c) The number and class of shares, and the designation of the series, if any, which such certificate represents;

(d) The par value of each share represented by such certificate, or a statement that the shares are without par value; and

(e) If the share does not entitle the holder to vote, that it is non-voting, or if the right to vote exists only under certain circumstances, that the right to vote is limited.

6. *Uncertificated shares*. Unless otherwise provided in the articles of incorporation or bylaws, the board of directors of a corporation may provide by resolution or resolutions that some or all of any or all classes or series of its registered shares shall be uncertificated shares, that is to say shares which are not represented by an instrument, and the transfer of which is registered upon books maintained for that purpose by or on behalf of the corporation. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Notwithstanding the adoption of such a resolution by the board of directors:

(a) Every holder of shares represented by certificates; and

(b) Upon request, unless otherwise provided in the articles of incorporation or bylaws, every holder of uncertificated shares, shall be entitled to have a certificate representing the number of shares registered in certificate form. Within a reasonable time after the issuance or transfer of uncertificated shares, the registered owner thereof shall be given a notice, in writing or by electronic transmission, containing either the information required to be set forth or stated on certificates pursuant to Section 5.8.4 and Section 5.8.5. Except as otherwise

expressly provided by law (including the prohibition within Section 5.1.1 that bearer shares may not be uncertificated), the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical. A failure to comply with Section 5.8.6 shall not impair the validity of the issuance or transfer of uncertificated shares. Uncertificated shares are of a type commonly dealt in upon securities exchanges or markets.

7. *Uncertificated shares and lost, stolen or destroyed share certificates; issuance of certificate or new certificate*. Where the directors of a corporation are satisfied as to the facts alleged, a corporation may issue a certificate in respect of uncertificated shares or a new certificate in place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and, in respect of a new certificate, the corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the corporation a bond or other agreement sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

8. *Judicial proceedings to compel issuance of certificate in respect of shares previously uncertificated or a new certificate in replacement of certificate lost, stolen or destroyed*. If a corporation refuses to issue:

(a) A certificate in respect of shares previously uncertificated and the articles of incorporation and bylaws of such corporation do not prohibit the issuance of stock certificates; or

(b) A new share certificate in place of a certificate theretofore issued by it, or by any corporation of which it is the lawful successor, alleged to have been lost, stolen or destroyed,

the owner of the shares previously uncertificated, or of the lost, stolen or destroyed certificate, or such owner's legal representative, may apply to a court of competent jurisdiction for an order requiring the corporation to show cause why it should not issue a

certificate in respect of shares previously uncertificated or a new certificate in replacement of the certificate lost, stolen or destroyed. Such application shall be by way of a complaint, which shall state:

(i) The name of the corporation; and

(ii) In the case of uncertificated shares, the number of shares represented thereby and to whom issued;

(iii) In the case of a certificate lost, stolen or damaged:

(1) The number and date of the certificate, if known or ascertainable by the plaintiff;

(2) The number of shares represented thereby and to whom issued; and

(3) A statement of the circumstances attending such loss, theft or destruction, and thereupon the court shall make an order requiring the corporation to show cause at a time and place therein designated, why the corporation should not issue a certificate in respect of the shares previously uncertificated, or a new certificate in replacement of the one described in the complaint, as the case may be. A copy of the complaint and order shall be served upon the corporation at least ten (10) days before the time designated in the order.

9. *Court disposition of complaint*. If, upon hearing the matter, the court is satisfied that the plaintiff is the lawful owner of the number of shares, or any part thereof, described in the complaint, and that the shares were uncertificated and the articles of incorporation and bylaws of such corporation do not prohibit the issuance of stock certificates or that the certificate therefor has been lost, stolen or destroyed, and no sufficient cause has been shown why a certificate in respect of the shares previously uncertificated or a new certificate in replacement for the one lost, stolen or destroyed should not be issued, it shall make an order requiring the corporation to issue

and deliver to the plaintiff a certificate in respect of the shares previously uncertificated or a new certificate in replacement for the one lost, stolen or destroyed. In its order the court shall direct that, prior to the issuance and delivery to the plaintiff of such certificate in respect of shares previously uncertificated or a new certificate in replacement of the one lost, stolen or damaged, the plaintiff gives the corporation a bond in such form and with such security as to the court appears sufficient to indemnify the corporation against any claim that may be made against it on account of the issuance of such certificate in respect of shares previously uncertificated or the alleged loss, theft or destruction of a certificate or the issuance of a new certificate in replacement of the certificate lost, stolen or damaged. No corporation which has issued a certificate pursuant to an order of the court entered hereunder shall be liable in an amount in excess of the amount specified in such bond.

Prior legislation: 1956 Code 4:12, 13; Lib. Corp. L., 1948, §§ 12, 13: 1976 Liberian Code of Laws Revised, Chapter 5, §5.8, amended effective June 19, 2002

§5.9. Dividends in cash, stock or other property.

1. *General limitation*. A corporation may declare and pay dividends in cash, stock or other property on its outstanding shares, except when currently the corporation is insolvent or would thereby be made insolvent or when the declaration or payment would be contrary to any restrictions contained in the articles of incorporation. Dividends may be declared and paid out of surplus only; but if there is no surplus, dividends may be declared or paid out of the net profits for the fiscal year in which the dividend is declared and for the preceding fiscal year.

2. *Corporations engaged in exploitation of wasting assets*. A corporation engaged in the exploitation of natural resources or other wasting assets, including patents, or formed primarily for the liquidation of specific assets, may declare and pay dividends regardless of any surplus from the net profits derived from the liquidation or exploitation of such assets without making any deduction for the depletion of such assets resulting from lapse of time, consumption, liquidation or exploitation of such assets if the net assets remaining after such dividends are sufficient to cover the liquidation preferences of shares having such preferences in involuntary liquidation.

3. *Limitations on disabled shares*. Any share disabled in accordance with Section 5.1.7(b) shall not be entitled to receive any dividend or distribution declared prior to or during the time such shares are disabled; provided that any dividend or distribution to which any share would have been entitled but for such share being disabled in accordance with Section 5.1.7(b) may be paid to the holder of such share once such share is no longer disabled.

Prior legislation: 1956 Code 4:20; Lib. Corp. L., 1948, §20; amended effective April 23, 2018

§5.10. Share dividends.

1. *Restrictions on distribution*. A corporation may make pro rata distribution of its authorized but unissued shares to holders of any class or series of its outstanding shares subject to the following conditions:

(a) If a distribution of shares having a par value is made, such shares shall be issued at not less than the par value thereof and there shall be transferred to stated capital at the time of such distribution an amount of surplus equal to the aggregate par value of such shares; or

(b) If a distribution of shares without par value is made, the amount of stated capital to be represented by each such share shall be fixed by the board, unless the articles of incorporation reserved to the shareholders the right to fix the consideration for the issue of such shares; and there shall be transferred to stated capital at the time of such distribution an amount of surplus equal to the aggregate stated capital represented by such shares.

2. *Payment out of unrealized appreciation prohibited*. Unrealized appreciation of assets, if any, shall not be included in the computation of surplus available for a share dividend.

3. *Notice to shareholders*. Upon the payment of a dividend payable in shares, notice shall be given to the shareholders of the amount per share transferred from surplus.

4. *Authorized by shareholders*. No dividend payable in shares of any class shall be paid unless the share dividend is specifically authorized by the vote of two-thirds of the shares of each class that might be adversely affected by such share dividend.

5. *Split-ups*. A split-up or division of the issued shares of any class into a greater number of shares of the same class without increasing the stated capital of the corporation shall not be construed to be a share dividend within the meaning of this Section 5.10.

Prior legislation: 1956 Code 4:20 (2d sent.); Lib. Corp. L., 1948, §20 (2d sent.).

§5.11. Purchase or redemption by corporation of its own shares.

1. *Purchase or redemption out of surplus*. A corporation, subject to any restrictions contained in its articles of incorporation, may purchase its own shares or redeem its redeemable shares out of surplus except when currently the corporation is insolvent or would thereby be made insolvent.

2. *Purchase out of stated capital*. A corporation may purchase its own shares out of stated capital except when currently the corporation is insolvent or would thereby be made insolvent, if the purchase is made for the purpose of:

(a) Eliminating fractions of shares;

(b) Collecting or compromising indebtedness to the corporation; or

(c) Paying dissenting shareholders entitled to receive payment for their shares under Section 9.7 or Section 10.7.

3. *Redemption out of stated capital*. A corporation, subject to any restrictions contained in its articles of incorporation, may redeem or purchase its redeemable shares out of stated capital except when currently the corporation is insolvent or would thereby be made insolvent and except when such redemption or purchase would reduce net assets below the stated capital remaining after giving effect to the cancellation of such redeemable shares.

4. *Purchase price of redeemable shares*. When its redeemable shares are purchased by a corporation within the period of redeemability, the purchase price thereof shall not exceed the applicable redemption price stated in the articles of incorporation. Upon a call for redemption, the amount payable by the corporation for shares having a cumulative preference on dividends

may include the stated redemption price plus accrued dividends to the next dividend date following the date of redemption of such shares.

Prior legislation: 1956 Code 4:5(e); Lib. Corp. L., 1948, §5(e).

§5.12. Acquired shares.

1. *When shares required to be cancelled*. Shares that have been issued and have been purchased, redeemed or otherwise acquired by a corporation shall be cancelled if they are acquired out of stated capital, or if they are converted shares, or if the articles of incorporation require that such shares be cancelled upon acquisition.

2. *Shares not required to be cancelled*. Any shares acquired by the corporation and not required to be cancelled may be either retained as treasury shares or cancelled by the board at the time of acquisition or at any time thereafter.

3. *Disposition of treasury shares*. Neither the retention of acquired shares as treasury shares, nor their subsequent distribution to shareholders or disposition for a consideration shall change the stated capital. Treasury shares may be disposed of for such consideration as the directors may fix. When treasury shares are disposed of for a consideration, the surplus shall be increased by the full amount of the consideration received.

4. *Reduction of stated capital on acquisition of shares*. When acquired shares other than converted shares are cancelled, the stated capital of the corporation shall be reduced by the amount of stated capital then represented by the shares so cancelled. The amount by which stated capital has been reduced by cancellation of acquired shares during a stated period of time shall be disclosed in the next financial statement covering such period that is furnished by the corporation to all its shareholders, or, if practicable, in the first notice of dividend or share distribution that is furnished to the holders of each class or series of its shares between the end of the period and the next financial statement, and in any event to all its shareholders within six months of the date of the reduction of capital. Shares effected by this provision do not include bearer shares that are disabled pursuant to Section 5.1.7(b).

5. *Cancelled shares; eliminated shares*. Shares cancelled under Section 5.12 shall be restored to the status of authorized but unissued shares, except that if the articles of incorporation prohibit the reissue of any shares required or permitted to be cancelled under Section 5.12, the board shall approve and deliver to the Registrar or the Deputy Registrar articles of amendment under Section 9.5 eliminating such shares from the number of authorized shares. Shares affected by this provision do not include bearer shares that are disabled pursuant to Section 5.1.7(b).

Prior legislation: 1976 Liberian code of Laws Revised, Chapter 5, §5.12, amended effective June 19, 2002; amended effective April 23, 2018

§5.13. Reduction of stated capital by action of the board.

1. *When the board may reduce capital*. Except as otherwise provided in the articles of incorporation, the board may at any time reduce the stated capital of a corporation by eliminating from stated capital amounts previously transferred by the board from surplus to stated capital and not allocated to any designated class or series of shares, or by eliminating any amount of stated capital represented by issued shares having a par value to the extent that the stated capital exceeds the aggregate par value of such shares, or by reducing the amount of stated capital represented by issued shares without par value. If, however, the consideration for the issue of shares without par value was fixed by the shareholders under Section 5.4.3, the board shall not reduce the stated capital represented by such shares except to the extent, if any, that the board was authorized by the shareholders to allocate any portion of such consideration to surplus.

2. *Limitation on amount of reduction*. No reduction of stated capital shall be made under Section 5.13 unless after such reduction the stated capital exceeds the aggregate preferential amounts payable upon involuntary liquidation upon all issued shares having preferential rights in the assets plus the par value of all other issued shares with par value.

3. *Notice to shareholders*. When a reduction of stated capital has been effected under Section 5.13, the amount of such reduction shall be disclosed in the next financial statement covering the period in which such reduction is made that is furnished by the corporation to all its shareholders, or, if practicable, in the first notice of dividend or share distribution that is furnished to the holders of each class or series of its shares between the date of such reduction

and the next financial statement, and in any event to all its shareholders within six months of the date of such reduction.

Prior legislation: 1956 Code 4:19; Lib. Corp. L., 1948, §19.

§5.14. Situs of ownership of shares.

For all purposes of title, action, attachment, garnishment and jurisdiction of all courts, but not for the purpose of taxation, the situs of the ownership of the capital shares of all corporations existing under this Title, whether organized under this Chapter or otherwise, shall be regarded as in Liberia.

Effective: June 19, 2002

§5.15. Custodial Requirements for Bearer Share Certificates.

1. *Purpose of the Section*. This Section 5.15 sets forth the requirements of a Custodial Agreement that will satisfy Section 5.1.6(1)(b)(ii).

2. *Custodial Agreement*. Any owner of a share issued in bearer form (for purposes of this Section 5.15, an "***Owner***"), if it elects to deposit the certificate representing such share with a Custodian in accordance with Section 5.1.6(b)(ii), shall enter into a Custodial Agreement with a Custodian and deliver to such Custodian the original certificate representing such bearer share. Such Custodial Agreement shall, at a minimum, specify the following:

(a) the full name and address of the Owner and of the Beneficial Owner;

(b) the full name and address of at least two legal representatives of the Owner who shall be natural persons;

(c) an instruction by the Owner that the Custodian shall hold such certificate in accordance with Section 5.15; and

(d) any other information, requirements or undertakings as may be required or requested by the Custodian.

3. *Information to corporation*. Each Custodian that enters into such a Custodial Agreement shall inform in writing the corporation that issued any relevant shares in bearer form: (i) the name and contact details of the Custodian; (ii) the identification number of each certificate delivered to the Custodian and the number of shares evidenced by each such certificate; and (iii) the date on which such certificate(s) were delivered to the Custodian.

4. *Retention period*. Subject to Section 5.15.5, a Custodian with whom a certificate evidencing a bearer share has been deposited in accordance with this Section 5.15 shall retain the information and documents provided to it under Section 5.15.2, any instruction filed under Section 5.15.10, any notice sent pursuant to Section 5.15.9 and a record of the location of the certificate evidencing the bearer share, in each case for a period of 5 years after the end of the calendar year in which the Custodial Agreement expires or is terminated. The Custodian may hold inside or outside Liberia any or all certificates evidencing bearer shares deposited in accordance with this Section 5.15, and shall ensure that each such certificate remains at all times within its custody and control. The Custodian shall issue a receipt to each Owner confirming the bearer share certificates in custody along with a copy of the Custodial Agreement. The Custodian shall inform the Registrar within 30 days when it receives share certificates to maintain in its custody and confirm that information required to be provided by the owner of a share under Section 5.15.2 has been submitted, and if requested by the Registrar in accordance with Section 5.15.8, the relevant Owner thereof.

5. *Cessation of custodial relationship*. A Custodian may cease acting as Custodian under this Section 5.15 in respect of a certificate evidencing a bearer share, by giving the Owner not less than thirty (30) days' notice of the Custodian's election to cease acting as Custodian in respect of the relevant certificate. A Custodian who ceases to act as a Custodian under this Section 5.15 in respect of a certificate evidencing a bearer share shall maintain copies of all documents relating to such certificate in accordance with Section 5.15.4 for a period of 5 years after the date on which it delivers the relevant certificate to another person in accordance with Section 5.15.6. The Custodian does not need to specify any reason for its election to cease acting as custodian under this Section 5.15.

6. *Delivery or cancellation of bearer share certificate*. Subject to Section 5.15.7, a Custodian holding a certificate evidencing a bearer share under this Section 5.15 shall not deliver such certificate to any person other than another Custodian. A Custodian may mark a certificate evidencing a bearer share "cancelled," and/or may destroy a certificate issued in bearer form, upon request of the corporation.

7. *Notice of revocation of custodial relationship*. A person whose approval as a Custodian has been revoked or who has ceased to qualify as a Custodian shall, in respect of each certificate evidencing a bearer share that the Custodian holds under Section 5.15, as soon as practicable give the registered agent of the corporation and the Owner notice that the Custodian has ceased to be a Custodian; and deliver to the Owner such certificate within fourteen (14) days of the Custodian ceasing to be a Custodian, and inform the relevant corporation that it has so delivered the certificate.

8. The Custodian holding a certificate evidencing bearer shares shall, as required under Section 5.15, deliver to: (i) the corporation that has issued such certificate; and (ii) to any other person, upon the prior written instruction or consent of the Owner, in relation to such share, confirmation that the Owner deposited such certificate with the Custodian and specifying the name and address of the Owner, and that the Owner is exclusively entitled to give instructions to the Custodian with respect to the disposition of that share, or the names of any legal representatives of the Owner specified in its instruction delivered pursuant to Section 5.15.2 and who are entitled to give instructions to the Custodian with respect to the disposition of that share. The Custodian shall provide to the Registrar the information set forth in Section 5.15.3(ii) regarding all shares in bearer form that are in its custody. The Custodian shall provide full details of the ownership of shares issued in bearer form which are in its custody in accordance with Section 5.15.2 only upon request from the Registrar or Deputy Registrar in relation to a compliant tax information request or court order.

9. *Adjustment of records*. The Custodian shall adjust its records to change the name and address of the Owner to another person only if the Custodian has received instructions from the current Owner in a form approved by the Custodian.

10. *Compliance with owner's instruction*. When instructions are required or permitted to be given by the Owner to a Custodian, or former Custodian, the Custodian or former Custodian shall be obligated to comply with the instructions of any one legal representative of the Owner specified by the Owner in the Owner's instructions delivered pursuant to Section 5.15.2.

11. *Custodian liability*. A Custodian shall have no liability to any person in the performance of the Custodian's duties, and the Custodian and any person acting on its behalf for the administration of the provisions of Section 5.15, or any regulation promulgated pursuant thereto, or in the performance of any services pursuant to Section 5.15, their employees, and agents wherever located, shall have full immunity from liability from suit with respect to any act or omission or thing done by any of them in good faith in the exercise or performance, or in the purported exercise or performance of, any power, authority or duty conferred or imposed upon any of them under or in connection with Section 5.15 or any regulation, or any other law or rule applicable to the performance of any of their said duties; and any such suit brought against any of the foregoing shall be dismissed, without prejudice to the plaintiff to bring an action against the correct party.

12. *Issuance of proxy*. A Custodian may issue to the Owner, or any other person at the written request of the Owner, in a form approved by the Custodian, a proxy, whether revocable or irrevocable, to vote any bearer share for which the relevant certificate is held by the Custodian under Section 5.15. If the corporation that issued a certificate evidencing a bearer share deposited in accordance with Section 5.15 is instructed to forward all notices and other communications respecting such share to a Custodian, unless otherwise set forth in such instruction, such corporation may, for all purposes, treat the person named in any proxy issued by the Custodian in respect of such share as the holder of record of such share until such proxy is revoked and such corporation receives notice of such revocation.

13. *Notification by custodian*. If the corporation that issued a certificate evidencing a bearer share deposited in accordance with Section 5.15 is instructed to forward all notices and other communications to a Custodian, and is notified by the Custodian with specific reference to Section 5.15 of the name and address of the Owner of such share, unless otherwise instructed by the Custodian, such corporation may, for all purposes, treat the Owner of such share as the

holder of record of such share until the corporation is notified by the Custodian either that a different person is the Owner in relation to such share or that the Custodian has ceased to act as the Custodian of such share.

Effective: April 23, 2018

§5.16. Business combinations with interested shareholders.

1. Notwithstanding any other provisions of this Chapter, a corporation shall not engage in any business combination with any interested shareholder for a period of three (3) years following the date that such shareholder became an interested shareholder, unless:

(a) Prior to such time the board of directors of the corporation approved either the business combination or the transaction which resulted in the shareholder becoming an interested shareholder;

(b) Upon consummation of the transaction which resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least eighty five percent (85%) of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested shareholder) those shares owned: (i) by persons who are directors and also officers; and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

(c) At or subsequent to such time the business combination is approved by the board of directors and authorized at an annual or special meeting of shareholders, and not by written consent, by the affirmative vote of at least sixty-six and two-thirds percent (66⅔%) of the outstanding voting stock which is not owned by the interested shareholder.

2. The restrictions contained in Section 5.16 shall not apply if:

(a) The corporation is formed prior to the effective date of the 2020 Amendment Act; or

(b) The corporation's initial articles of incorporation contain a provision explicitly electing not to be governed by Section 5.16;

(c) The corporation, by action of its shareholders, adopts an amendment to its articles of incorporation or bylaws expressly electing not to be governed by Section 5.16; provided that, in addition to any other vote required by law, such amendment to the articles of incorporation or bylaws must be approved by the affirmative vote of a majority of the shares entitled to vote. An amendment adopted pursuant to Section 5.16.2(c) shall be effective immediately in the case of a corporation that both: (i) has never been a public company; and (ii) has not elected by a provision in its initial articles of incorporation or any amendment thereto to be governed by Section 5.16. In all other cases, an amendment adopted pursuant to Section 5.16.2(c) shall not be effective until one (1) year after the adoption of such amendment and shall not apply to any business combination between such corporation and any person who became an interested shareholder of such corporation on or prior to such adoption. An amendment to the bylaws adopted pursuant to Section 5.16.2(c) shall not be further amended by the board of directors;

(d) The corporation is not a public company, unless it is not a public company resulting from action taken, directly or indirectly, by an interested shareholder or from a transaction in which a person becomes an interested shareholder;

(e) A shareholder becomes an interested shareholder inadvertently and (i) as soon as practicable divests itself of ownership of sufficient shares so that the shareholder ceases to be an interested shareholder; and (ii) would not, at any time within the three (3) year period immediately prior to a business combination between the corporation and such shareholder, have been an interested shareholder but for the inadvertent acquisition of ownership;

(f) The business combination is proposed prior to the consummation or abandonment of and subsequent to the earlier of the public announcement or the notice required hereunder of a proposed transaction which (i) constitutes one of the transactions described in the second sentence of Section 5.16.2(f); (ii) is with or by a person who either was not an interested shareholder during the previous three (3) years or who became an interested shareholder with the approval of the corporation's board of directors or during the period described in Section 5.16.2(g); and (iii) is approved or not opposed by a majority of the members of the board of directors then in office (but not less than one) who were directors prior to any person becoming an interested shareholder during the previous three (3) years or were recommended for election or elected to succeed such directors by a majority of such directors. The proposed transactions referred to in the preceding sentence are limited to (x) a merger or consolidation of the corporation (except for a merger in respect of which, pursuant to Section 10.2.14, no vote of the shareholders of the corporation is required); (y) a sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), whether as part of a dissolution or otherwise, of assets of the corporation or of any direct or indirect majority-owned subsidiary of the corporation (other than to any direct or indirect wholly owned subsidiary or to the corporation) having an aggregate market value equal to fifty percent (50%) or more of either that aggregate market value of all of the assets of the corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the corporation; or (z) a proposed tender or exchange offer for fifty percent (50%) or more of the outstanding voting stock of the corporation. The corporation shall give not less than twenty (20) days' notice to all interested shareholders prior to the consummation of any of the transactions described in clause (x) or (y) of the second sentence of Section 5.16.2(f); or

(g) The business combination is with an interested shareholder who became an interested shareholder at a time when the restrictions contained in Section 5.16 did not apply by reason of any of Section 5.16.2(a)-(d); provided, however, that Section 5.16.2(g) shall not apply if, at the time such interested shareholder

became an interested shareholder, the corporation's articles of incorporation contained a provision authorized by Section 5.16.3.

3. Notwithstanding Sections 5.16.2(a), (b), (c), and (d), a corporation may elect by a provision of its initial articles of incorporation or any amendment thereto to be governed by Section 5.16; provided that any such amendment to the articles of incorporation shall not restrict a business combination between the corporation and an interested shareholder of the corporation if the interested shareholder became such prior to the effective date of the amendment.

4. As used in Section 5.16 only, the term:

(a) "***Affiliate***" means a person that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, another person.

(b) "***Associate***," when used to indicate a relationship with any person, means: (i) any corporation, partnership, limited liability company, unincorporated association or other legal entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of twenty percent (20%) or more of any class of voting stock; (ii) any trust or other estate in which such person has at least a twenty percent (20%) beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and (iii) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person.

(c) "***Business combination***," when used in reference to any corporation and any interested shareholder of such corporation, means:

(i) Any merger or consolidation of the corporation or any direct or indirect majority-owned subsidiary of the corporation with (a) the interested shareholder, or (b) with any other corporation, partnership, limited liability company, unincorporated association or other legal entity if the merger or consolidation is caused by the interested shareholder and as a result of

such merger or consolidation Section 5.16.1 is not applicable to the surviving entity;

(ii) Any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a shareholder of such corporation, to or with the interested shareholder, whether as part of a dissolution or otherwise, of assets of the corporation or of any direct or indirect majority-owned subsidiary of the corporation which assets have an aggregate market value equal to ten percent (10%) or more of either the aggregate market value of all the assets of the corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the corporation;

(iii) Any transaction which results in the issuance or transfer by the corporation or by any direct or indirect majority-owned subsidiary of the corporation of any stock of the corporation or of such subsidiary to the interested shareholder, except: (a) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of such corporation or any such subsidiary which securities were outstanding prior to the time that the interested shareholder became such; (b) pursuant to a merger under Section 10.3; (c) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of such corporation or any such subsidiary which security is distributed, pro rata to all holders of a class or series of stock of such corporation subsequent to the time the interested shareholder became such; (d) pursuant to an exchange offer by the corporation to purchase stock made on the same terms to all holders of said stock; or (e) any issuance or transfer of stock by the corporation; provided however, that in no case under Sections 5.16.4(iii)(c) through 5.16.4(iii)(e) shall there be an increase in the interested shareholder’s proportionate share of the stock of

any class or series of the corporation or of the voting stock of the corporation;

(iv) Any transaction involving the corporation or any direct or indirect majority owned subsidiary of the corporation which has the effect, directly or indirectly, of increasing the proportionate share of the stock of any class or series, or securities convertible into the stock of any class or series, of the corporation or of any such subsidiary which is owned by the interested shareholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of stock not caused, directly or indirectly, by the interested shareholder; or

(v) Any receipt by the interested shareholder of the benefit, directly or indirectly (except proportionately as a shareholder of such corporation), of any loans, advances, guarantees, pledges or other financial benefits (other than those expressly permitted in Sections 5.16.3(c)(i)-(iv)) provided by or through the corporation or any direct or indirect majority-owned subsidiary.

(d) "***Control***," including the terms "***controlling***," "***controlled by***" and "***under common control with***," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting stock, by contract or otherwise. A person who is the owner of twenty percent (20%) or more of the outstanding voting stock of any corporation, partnership, limited liability company, unincorporated association or other legal entity shall be presumed to have control of such legal entity, in the absence of proof by a preponderance of the evidence to the contrary; Notwithstanding the foregoing, a presumption of control shall not apply where such person holds voting stock, in good faith and not for the purpose of circumventing Section 5.16, as an agent, bank, broker, nominee, custodian or

trustee for one or more owners who do not individually or as a group have control of such legal entity.

(e) "***Interested shareholder***" means any person (other than the corporation and any direct or indirect majority-owned subsidiary of the corporation) that (i) is the owner of fifteen percent (15%) or more of the outstanding voting stock of the corporation, or (ii) is an affiliate or associate of the corporation and was the owner of fifteen percent (15%) or more of the outstanding voting stock of the corporation at any time within the three (3) year period immediately prior to the date on which it is sought to be determined whether such person is an interested shareholder, and the affiliates and associates of such person; provided, however, that the term "interested shareholder" shall not include any person whose ownership of shares in excess of the fifteen percent (15%) limitation set forth herein is the result of action taken solely by the corporation; provided that such person shall be an interested shareholder if thereafter such person acquires additional shares of voting stock of the corporation, except as a result of further corporate action not caused, directly or indirectly, by such person. For the purpose of determining whether a person is an interested shareholder, the voting stock of the corporation deemed to be outstanding shall include stock deemed to be owned by the person through application of Section 5.16.4(f) but shall not include any other unissued stock of such corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

(f) "***Owner***," including the terms "***own***" and "***owned***," when used with respect to any stock, means a person that individually or with or through any of its affiliates or associates:

(i) beneficially owns such stock, directly or indirectly; or

(ii) has (1) the right to acquire such stock (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights,

exchange rights, warrants or options, or otherwise; provided, however, that a person shall not be deemed the owner of stock tendered pursuant to a tender or exchange offer made by such person or any of such person's affiliates or associates until such tendered stock is accepted for purchase or exchange; or (2) the right to vote such stock pursuant to any agreement, arrangement or understanding; provided, however, that a person shall not be deemed the owner of any stock because of such person's right to vote such stock if the agreement, arrangement or understanding to vote such stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to 10 or more persons; or (3) any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in Section 5.16.4(f)(ii)(2)), or disposing of such stock with any other person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, such stock.

(g) "***Person***" means a natural person, partnership (whether general or limited), limited liability company, trust, estate, association, corporation, government, custodian, nominee or any other natural person or legal entity in its own or any representative capacity, in each case, whether domestic or foreign.

(h) "***Shares***" means, with respect to any corporation, shares of capital stock and, with respect to any other legal entity, any equity interest.

(i) "***Voting shares***" means, with respect to any corporation, stock of any class or series entitled to vote generally in the election of directors and, with respect to any legal entity that is not a corporation, any equity interest entitled to vote generally in the election of the governing body of such legal entity. Every reference to a percentage of voting stock shall refer to such percentage of the votes of such voting stock.

5. No provision contained in the articles of incorporation or in the bylaws shall require, for any vote of shareholders required by Section 5.16, a greater vote of shareholders than that specified in Section 5.16.

§5.17. Ratification of defective corporate acts and stock.

1. Subject to Section 5.17.8, no defective corporate act or putative stock shall be void or voidable solely as a result of a failure of authorization if ratified as provided in this Section 5.17 or validated by a Liberian court of competent jurisdiction or any other court of competent jurisdiction, in a proceeding brought under Section 5.18.

2. In order to ratify one or more defective corporate acts pursuant to Section 5.17 (other than ratification of an election of the initial board of directors pursuant to Section 5.17.4), the board of directors of a corporation shall adopt a resolution stating:

(a) The defective corporate act or acts to be ratified;

(b) The date of each defective corporate act or acts;

(c) If such defective corporate act or acts involved the issuance of shares of putative stock, the number and type of shares of putative stock issued and the date or dates upon which such shares of putative stock were purported to have been issued;

(d) The nature of the failure of authorization in respect of each defective corporate act to be ratified; and

(e) That the board of directors approves the ratification of the defective corporate act or acts.

3. The resolution may also provide that, at any time before the validation effective time in respect of any defective corporate act set forth therein, notwithstanding adoption of the resolution by shareholders, the board of directors may abandon the ratification of such defective corporate act without further action of the shareholders. The quorum and voting requirements applicable to the ratification by the board of directors of any defective corporate act shall be the quorum and voting requirements applicable to the type of defective corporate act proposed to be

ratified at the time the board adopts the resolutions ratifying the defective corporate act; provided that if the articles of incorporation or bylaws of a corporation, any plan or agreement to which the corporation was a party or any provision of this Act, in each case as in effect as of the time of the defective corporate act, would have required a larger number or portion of directors or of specified directors for a quorum to be present or to approve the defective corporate act, such larger number or portion of such directors or such specified directors shall be required for a quorum to be present or to adopt the resolutions to ratify the defective corporate act, as applicable, except that the presence or approval of any director elected, appointed or nominated by holders of any class or series of which no shares are then outstanding, or by any person that is no longer a shareholder, shall not be required.

4. In order to ratify a defective corporate act in respect of the election of the initial board of directors of the corporation, a majority of the persons who, at the time the resolutions required by Section 5.17.4 are adopted, are exercising the powers of directors under claim and color of an election or appointment as such may adopt resolutions stating:

(a) The name of the person or persons who first took action in the name of the corporation as the initial board of directors of the corporation;

(b) The earlier of the date on which such persons first took such action or were purported to have been elected as the initial board of directors; and

(c) That the ratification of the election of such person or persons as the initial board of directors is approved.

5. Each defective corporate act ratified pursuant to Sections 5.17.2-5.17.3 shall be submitted to the shareholders for approval as provided in Section 5.17.6, unless:

(a) No other provision of this Act, and no provision of the articles of incorporation or bylaws of a corporation, or of any plan or agreement to which a corporation is a party, would have required shareholder approval of such defective corporate act to be ratified, either at the time of such defective corporate act or at the time when the board of directors adopts the resolutions ratifying such defective corporate act pursuant to Section 5.17.2-5.17.3; and

(b) Such defective corporate act to be ratified did not result from a failure to comply with Section 5.16, or

(c) As of the record date for determining the shareholders entitled to vote on the ratification of such defective corporate act, there are no shares of valid stock outstanding and entitled to vote thereon, regardless of whether there then exist any shares of putative stock.

6. (1) If the ratification of a defective corporate act is required to be submitted to shareholders for approval pursuant to Section 5.17.5, due notice of the time, place, if any, and purpose of the meeting shall be given at least twenty (20) days before the date of the meeting to each holder of valid stock and putative stock, whether voting or nonvoting, at the address of such holder as it appears or most recently appeared, as appropriate, on the records of the corporation. The notice shall also be given to the holders of record of valid stock and putative stock, whether voting or nonvoting, as of the time of the defective corporate act (or, in the case of any defective corporate act that involved the establishment of a record date for notice of or voting at any meeting of shareholders, for action by written consent of shareholders in lieu of a meeting, or for any other purpose, the record date for notice of or voting at such meeting, the record date for action by written consent, or the record date for such other action, as the case may be), other than holders whose identities or addresses cannot be determined from the records of the corporation. The notice shall contain a copy of the resolutions adopted by the board of directors pursuant to Sections 5.17.2-5.17.3 or the information required by Sections 5.17.2(a) through 5.17.2(e) and a statement that any claim that the defective corporate act or putative stock ratified hereunder is void or voidable due to the failure of authorization, or that the relevant court should declare in its discretion that a ratification in accordance with Section 5.17 not be effective or be effective only on certain conditions must be brought within one hundred twenty (120) days from the applicable validation effective time. At such meeting the quorum and voting requirements applicable to the ratification of such defective corporate act shall be the quorum and voting requirements applicable to the type of defective corporate act proposed to be ratified at the time of the approval of the ratification, except that:

(a) If the articles of incorporation or bylaws of the corporation, any plan or agreement to which a corporation was a party or any provision of this Act in effect as of the time of the defective corporate act would have required a larger number or portion of shares or of any class or series thereof or of specified shareholders for a quorum to be present or to approve the defective corporate act, the presence or approval of such larger number or portion of shares or of such class or series thereof or of such specified shareholders shall be required for a quorum to be present or to approve the ratification of the defective corporate act, as applicable, except that the presence or approval of shares of any class or series of which no shares are then outstanding, or of any person that is no longer a shareholder, shall not be required;

(b) The approval by shareholders of the ratification of the election of a director shall require the affirmative vote of the majority of shares present at the meeting and entitled to vote on the election of such director, except that if the articles of incorporation or bylaws of the corporation then in effect or in effect at the time of the defective election require or required a larger number or portion of shares or of any class or series thereof or of specified shareholders to elect such director, the affirmative vote of such larger number or portion of shares or of any class or series thereof or of such specified shareholders shall be required to ratify the election of such director, except that the presence or approval of shares of any class or series of which no shares are then outstanding, or of any person that is no longer a shareholder, shall not be required; and

(c) In the event of a failure of authorization resulting from failure to comply with the provisions of Section 5.16, the ratification of the defective corporate act shall require the vote set forth in Section 5.16.1(c), regardless of whether such vote would have otherwise been required.

(2) Putative shares on the record date for determining shareholders entitled to vote on any matter submitted to shareholders pursuant to Section 5.17.5 (and without giving effect to any

ratification that becomes effective after such record date) shall neither be entitled to vote nor counted for quorum purposes in any vote to ratify any defective corporate act.

7. (1) If a defective corporate act ratified pursuant to Section 5.17 would have required under any other section of this Act the filing of a certificate or other instrument in accordance with Section 1.4, then, whether or not a certificate or other instrument was previously filed in respect of such defective corporate act and in lieu of filing the certificate or other instrument otherwise required by this Act, the corporation shall file a certificate of validation with respect to such defective corporate act in accordance with Section 1.4. A separate certificate of validation shall be required for each defective corporate act requiring the filing of a certificate or other instrument of validation under this Section 5.17, except that (i) two (2) or more defective corporate acts may be included in a single certificate of validation if the corporation filed, or to comply with this Act would have filed, a single certificate under another provision of this Act to effect such acts, and (ii) two (2) or more overissues of shares of any class, classes or series of shares may be included in a single certificate of validation, provided that the increase in the number of authorized shares of each such class or series set forth in the certificate of validation shall be effective as of the date of the first such overissue. The certificate of validation shall set forth:

(a) Each defective corporate act that is the subject of the certificate of validation (including, in the case of any defective corporate act involving the issuance of shares of putative stock, the number and type of shares of putative stock issued and the date or dates upon which such putative shares were purported to have been issued), the date of such defective corporate act, and the nature of the failure of authorization in respect of such defective corporate act;

(b) A statement that such defective corporate act was ratified in accordance with Section 5.17, including the date on which the board of directors ratified such defective corporate act and the date, if any, on which the shareholders approved the ratification of such defective corporate act; and

(c) Information required by one of the following paragraphs:

(i) If a certificate or other instrument was previously filed under Section 1.4 in respect of such defective corporate act and no changes to such certificate or other instrument are required to give effect to such defective corporate act in accordance with Section 5.17, the certificate of validation shall set forth (a) the name, title and filing date of the certificate or other instrument previously filed and of any certificate of correction thereto and (b) a statement that a copy of the certificate previously filed, together with any certificate of correction thereto, is attached as an exhibit to the certificate of validation;

(ii) If a certificate or other instrument was previously filed under Section 1.4 in respect of the defective corporate act and such certificate or other instrument requires any change to give effect to the defective corporate act in accordance with Section 5.17 (including a change to the date and time of the effectiveness of such certificate), the certificate of validation shall set forth (a) the name, title and filing date of the certificate or other instrument so previously filed and of any certificate of correction thereto, (b) a statement that a certificate or other instrument containing all of the information required to be included under the applicable section or sections of this title to give effect to the defective corporate act is attached as an exhibit to the certificate of validation, and (c) the date and time that such certificate or other instrument shall be deemed to have become effective pursuant to Section 5.17; or

(iii) If a certificate or other instrument was not previously filed under Section 1.4 in respect of the defective corporate act and the defective corporate act ratified pursuant to Section 5.17 would have required under any other section of this title the filing of a certificate or other instrument in accordance with Section 1.4, the certificate of validation shall set forth (a) a statement that a certificate or other instrument containing all of the information required to be included under the applicable section or sections of this title to give effect to the defective corporate act is attached

as an exhibit to the certificate of validation, and (b) the date and time that such certificate or other instrument shall be deemed to have become effective pursuant to this Section 5.17.

(2) A certificate or other instrument attached to a certificate of validation pursuant to Sections 5.17.7(c)(ii) or 5.17.7(c)(iii) need not be separately executed and acknowledged and need not include any statement required by any other section of this Act that such instrument has been approved and adopted with the provisions of such other section.

8. From and after the validation effective date, unless otherwise determined in an action brought pursuant to Section 5.18:

(a) Subject to Section 5.17.6(2) each defective corporate act set forth in the resolution ratified in accordance with this Section 5.17 shall no longer be deemed void or voidable as a result of the failure of authorization described in the resolutions adopted pursuant to Sections 5.17.2-5.17.4 and such effect shall be retroactive to the time of the defective corporate act; and

(b) Subject to Section 5.17.6(2), each share or fraction of a share of putative stock issued or purportedly issued pursuant to such defective corporate act shall no longer be deemed void or voidable, and shall be deemed to be an identical share or fraction of an outstanding share as of the date it was purportedly issued.

9. In respect of each defective corporate act ratified by the board of directors pursuant to Sections 5.17.2-5.17.4, prompt notice of the ratification shall be given to all holders of valid stock and putative stock, whether voting or nonvoting, as of the date the board of directors adopts the resolutions approving such defective corporate act, or as of a date within sixty (60) days after such date of adoption, as established by the board of directors, at the address of such holder as it appears or most recently appeared, as appropriate, on the records of the corporation. The notice shall also be given to the holders of record of valid stock and putative stock, whether voting or nonvoting, as of the time of the defective corporate act, other than holders whose identities or addresses cannot be determined from the records of the corporation. The notice shall contain a copy of the resolutions adopted pursuant to Sections 5.17.2-5.17.4, or the information

specified in Section 5.17.2(a)-(e) or Section 5.17.4(a)-(c), as applicable, and a statement that any claim that the defective corporate act or putative stock ratified hereunder is void or voidable due to the identified failure of authorization, or that the relevant court should declare in its discretion that a ratification in accordance with Section 5.17 not be effective or be effective only on certain conditions must be brought within one hundred twenty (120) days from the later of the validation effective date or the date at which the notice required by this Section is given. Notwithstanding the foregoing, (i) no such notice shall be required if notice of the ratification of the defective corporate act is to be given in accordance with Section 5.17.6, and (ii) in the case of a corporation that is a public company, notice for purposes of Section 5.17.6 and Section 5.17.9 shall be deemed given to all shareholders if disclosed in a document publicly filed by the corporation in the English language with a securities and exchange commission in accordance with the requirements of the applicable commission. If any defective corporate act has been approved by the shareholders, the notice required by Section 5.17.9 may be included in any notice required to be given to the shareholders, and if so given shall be sent to all shareholders entitled to notice thereto and to all holders of valid and putative stock to whom notice would be required under Section 5.17.9 if the defective corporate act had been approved at a meeting other than any shareholders who approved the action by consent in lieu of a meeting or any holder of putative stock who otherwise consented thereto in writing. Solely for purposes of Sections 5.17.6 and this Section 5.17.9, notice to holders of putative stock, and notice to holders of valid stock and putative stock as of the time of the defective corporate act, shall be treated as notice to holders of valid stock.

10. (1) As used in Section 5.17 and Section 5.18 only, the term:

(a) "***Defective corporate act***" means an overissue, an election or appointment of directors that is void or voidable due to a failure of authorization, or any act or transaction purportedly taken by or on behalf of the corporation that is, and at the time such act or transaction was purportedly taken would have been, within the power of a corporation (without regard to the nature of the failure to act), but is void or voidable due to a failure of authorization;

(b) "***Failure of authorization***" means (i) the failure to authorize or effect an act or transaction in compliance with (A) the provisions of this Act, (B) the articles of incorporation or the bylaws of a corporation, or (C) any plan or agreement to which a corporation is a party or the disclosure set forth in any proxy or consent solicitation statement, if and to the extent such failure would render such act or transaction void or voidable, or (ii) the failure of the board of directors or any officer of the corporation to authorize or approve any act or transaction taken by or on behalf of the corporation that would have required for its due authorization the approval of the board of directors or such officer.

(c) "***Overissue***" means the purported issuance of:

(i) Shares of capital stock of a class or series in excess of the number of shares of such class or series the corporation has the power to issue at the time of such issuance; or

(ii) Shares of any class or series of capital stock that is not then authorized for issuance by the articles of incorporation of the corporation;

(d) "***Putative stock***" means the shares of any class or series of capital stock of the corporation (including shares issued upon exercise of options, rights, warrants or other securities convertible into shares of capital stock of the corporation, or interests with respect thereto that were created or issued pursuant to a defective corporate act) that:

(i) But for any failure of authorization, would constitute valid stock; or

(ii) Cannot be determined by the board of directors to be valid stock;

(e) "***Date of the defective corporate act***" means the date and time the defective corporate act was purported to have been taken;

(f) "***Validation effective date***" with respect to any defective corporate act ratified pursuant to Section 5.17 means the latest of:

(a) The date on which the defective corporate act submitted to the shareholders for approval pursuant to Section 5.17.5 is approved by such shareholders or if no such vote of shareholders is required to approve the ratification of the defective corporate act, the date on which the board of directors acted as required by Sections 5.17.2-5.17.4;

(b) Where no certificate of validation is required to be filed pursuant to Section 5.17.7, the date, if any, specified by the board of directors in the resolutions adopted pursuant to Sections 5.17.2-5.17.4; and

(c) The date on which any certificate of validation filed pursuant to Section 5.17.7 shall become effective in accordance with Section 1.4.

(g) "***Valid stock***" means the shares of any class or series of capital stock of a corporation that have been duly authorized and validly issued in accordance with this Act;

(2) In the absence of actual fraud in the transaction, the judgment of the board of directors that shares of stock are valid stock or putative stock shall be conclusive, unless otherwise determined by the relevant court in a proceeding brought pursuant to Section 5.18.

11. Ratification under this Section 5.17 or validation under Section 5.18 shall not be deemed to be the exclusive means of ratifying or validating any act or transaction taken by or on behalf of the corporation, including any defective corporate act, or any issuance of shares, including any putative stock, or of adoption or endorsing any act or transaction taken by or in the name of the corporation prior to the commencement of its existence, and the absence or failure of ratification in accordance with either this Section 5.17 or validation under Section 5.18 shall not, of itself, affect the validity or effectiveness of any act or transaction or the issuance of any shares properly ratified under common law or otherwise, nor shall it create a presumption that any such act or transaction is or was a defective corporate act or that such shares are void or voidable.

§5.18. Proceedings regarding validity of defective corporate acts and shares.

1. Subject to Section 5.18.6, upon application by a corporation, any successor legal entity to such corporation, any member of the board of directors, any record or beneficial holder of valid stock or putative stock, any record or beneficial holder of valid or putative shares as of the time of a defective corporate act ratified pursuant to Section 5.17, or any other person claiming to be substantially and adversely affected by a ratification pursuant to Section 5.17, a Liberian court or other court of competent jurisdiction may:

(a) Determine the validity and effectiveness of any defective corporate act ratified pursuant to Section 5.17;

(b) Determine the validity and effectiveness of the ratification of any defective corporate act pursuant to Section 5.17;

(c) Determine the validity and effectiveness of any defective corporate act not ratified or not ratified effectively pursuant to Section 5.17;

(d) Determine the validity of any corporate act or transaction and any stock, rights or options to acquire stock; and

(e) Modify or waive any of the procedures set forth in Section 5.17 to ratify a defective corporate act.

2. In connection with an action under this Section 5.18, a Liberian or other court of competent jurisdiction may:

(a) Declare that a ratification in accordance with and pursuant to Section 5.17 is not effective or shall only be effective at a time or upon conditions established by the court;

(b) Validate and declare effective any defective corporate act or putative stock and impose conditions upon such validation by the court;

(c) Require measures to remedy or avoid harm to any person substantially and adversely affected by a ratification pursuant to Section 5.17 or from any order of the court pursuant to this Section 5.18, excluding any harm that would have resulted if the defective corporate act had been valid when approved or effectuated;

(d) Order the Registrar or Deputy Registrar to accept an instrument for filing with an effective time specified by the court, which effective time may be prior or subsequent to the time of such order;

(e) Approve a share ledger for the corporation that includes any shares ratified or validated in accordance with this Section 5.18 or with Section 5.17;

(f) Declare that shares of putative stock are shares of valid stock or require a corporation to issue and deliver shares of valid stock in place of any shares of putative stock;

(g) Order that a meeting of holders of valid stock or putative stock be held;

(h) Declare that a defective corporate act validated by the court shall be effective as of the time of the defective corporate act or at such other time as the court shall determine;

(i) Declare that putative stock validated by the court shall be deemed to be an identical share or fraction of a share of valid stock as of the date originally issued or purportedly issued or at such other time as the court shall determine; and

(j) Make such other orders regarding such matters as it deems proper under the circumstances.

3. Service of the application under Section 5.18.1 upon the registered agent of a corporation shall be deemed to be service upon a corporation, and no other party need be joined in order for the relevant court to adjudicate the matter. In an action filed by a corporation, the court may require notice of the action be provided to other persons specified by the court and permit such other persons to intervene in the action.

4. In connection with the resolution of matters pursuant to Sections 5.18.1 and 5.18.2, the court may consider the following:

(a) Whether the defective corporate act was originally approved or effectuated with the belief that the approval or effectuation was in compliance with the provisions of this Act, the articles of incorporation or bylaws of a corporation;

(b) Whether a corporation and board of directors have treated the defective corporate act as a valid act or transaction and whether any person has acted in reliance on the public record that such defective corporate act was valid;

(c) Whether any person will be or was harmed by the ratification or validation of the defective corporate act, excluding any harm that would have resulted if the defective corporate act had been valid when approved or effectuated;

(d) Whether any person will be harmed by the failure to ratify or validate the defective corporate act; and

(e) Any other factors or considerations the court deems just and equitable.

5. Liberian courts of competent jurisdiction are hereby vested with non-exclusive jurisdiction to hear and determine all actions brought under Section 5.18.

6. Notwithstanding any other provision of this Section 5.18, no action asserting:

(a) That a defective corporate act or putative stock ratified in accordance with Section 5.17 is void or voidable due to a failure of authorization identified in the resolution adopted in accordance with Sections 5.17.2 through 5.17.4; or

(b) That the court should declare in its discretion that a ratification in accordance with Section 5.17 not be effective or be effective only on certain conditions;

may be brought after the expiration of one hundred twenty (120) days from the later of the validation effective date and the notice, if any, that is required to be given pursuant to Section 5.17.9 is given with respect to such ratification, except that Section 5.18.6 shall not apply to an

action asserting that a ratification was not accomplished in accordance with Section 5.17 or to any person to whom notice of the ratification was required to have been given pursuant to Sections 5.17.6 or 5.17.9, but to whom such notice was not given.

CHAPTER 6.

DIRECTORS AND MANAGEMENT.

§6.1. Management of business of corporation.
§6.2. Qualifications of directors.
§6.3. Number of directors.
§6.4. Election and term of directors.
§6.5. Class of directors.
§6.6. Newly created directorships and vacancies.
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§6.12. Loans to directors.
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§6.14. Standard of care to be observed by directors and officers.
§6.15. Officers.
§6.16. Removal of officers.

§6.1. Management of business of corporation.

Subject to limitations of the articles of incorporation and of this Act as to action which shall be authorized or approved by the shareholders, all corporate powers shall be exercised by or under authority of, and the business and affairs of every corporation shall be managed by, a board of directors.

Prior legislation: L. 1961-62, ch. XLVII, §2(4:25(2)); 1956 Code 4:25; Lib. Corp. L. 1948, §25.

§6.2. Qualifications of directors.

The articles of incorporation may prescribe special qualifications for directors. Unless otherwise provided in the articles of incorporation, directors may be of any nationality and need not be Liberian residents or shareholders of the corporation. Unless otherwise prohibited by any statutory or administrative provision or under the terms of any license to conduct business or by the articles of incorporation, directors may be natural persons, corporations, limited liability companies, partnerships, limited partnerships or other legal entities.

Prior legislation: L. 1961-62, ch. XLVIII, §2(4:25(c)); 1956 Code 4:25; Lib. Corp. L. 1948, §25; 1976 Liberian Code of Laws Revised, Chapter 6, §6.2, amended effective June 19, 2002

§6.3. Number of directors.

1. *Number required*. The number of directors constituting the board shall be not less than one, and may be fixed by the articles of incorporation, by the bylaws, by the shareholders, or by action of the board under the specific provisions of a bylaw. If not otherwise fixed under Section 6.3.1, the number of directors shall be one.

2. *Increase or decrease*. The number of directors may be increased or decreased by amendment of the bylaws, by the shareholders, or by action of the board under the specific provisions of a bylaw, subject to the following limitations:

(a) If the number of directors is fixed by the articles of incorporation, unless otherwise provided in the articles of incorporation, any increase or decrease of the number of directors shall require an amendment of the articles of incorporation;

(b) If the board is authorized by the bylaws to change the number of directors, whether by amending the bylaws or by taking action under the specific provisions of a bylaw, such amendment or action shall require the vote of the board; and

(c) No decrease shall shorten the term of any incumbent director.

Prior legislation: L. 1961-62, ch. XLVII, §2(4:25(b)); 1956 Code 4:25; Lib. Corp. L., 1948, §25; 1976 Liberian Code of Laws Revised, Chapter 6, §6.3, amended effective June 19, 2002

§6.4. Election and term of directors.

1. *Manner and term*. At each annual meeting of shareholders, directors shall be elected to hold office until the next annual meeting except as authorized by Section 6.5. The articles of incorporation may provide for the election of one or more directors by the holders of the shares of any class or series.

2. *Tenure*. Each director shall hold office until the expiration of the term for which he is elected, and until his successor has been elected and qualified, or until he resigns or is removed.

Prior legislation: 1956 Code 4:27; Lib. Corp. L., 1948, §27; 1976 Liberian Code of Laws Revised, Chapter 6, §6.4, amended effective June 19, 2002

§6.5. Class of directors.

1. *Generally*. The articles of incorporation or bylaws adopted by the shareholders may provide that the directors be divided into two or more classes and that each class of directors shall serve for such term as is specified in the articles of incorporation or bylaws. All classes shall be as nearly equal in number as possible. The terms of office of the directors initially classified shall be as follows: (i) that of the first class shall expire at the next annual meeting of shareholders; (ii) the second class at the second succeeding annual meeting; (iii) the third class, if any, at the third succeeding annual meeting; and (iv) the fourth class, if any, at the fourth succeeding annual meeting. The articles of incorporation or bylaws dividing the directors into classes may authorize the board of directors to assign members of the board already in office to such classes at the time such classification becomes effective. If the board of directors has authority to amend the bylaws of a corporation pursuant to Section 4.9.1, then such board of directors may remove director classes from the bylaws of such corporation without shareholder approval. However, no such class removal shall shorten the term of any incumbent director.

2. *Replacement of classes*. At each annual meeting after such initial classification, directors to replace those whose terms expire at such annual meeting shall be elected to hold office until the second succeeding annual meeting if there are two classes; the third succeeding annual meeting if there are three classes; or the fourth succeeding annual meeting if there are four classes.

3. *Change in number of directors*. If directors are classified and the number of directors is thereafter changed, any newly created directorships or any decrease in directorships shall be so apportioned among the classes as to make all classes as nearly equal in number as possible.

4. *Class of shareholders may have special rights of election; voting of directors*. The articles of incorporation may confer upon holders of any class or series of shares (inclusive of corporations with only one class of stock) the right to elect one or more directors who shall serve for such term and have such voting powers as shall be stated in the articles of incorporation. The terms of office and voting powers of the directors elected in the manner so provided in the

articles of incorporation may be greater than or less than those of any other director or class of directors. In addition, the articles of incorporation may confer upon one or more directors, whether or not elected separately by the holders of any class or series of stock, voting powers greater than or less than those of other directors. If the articles of incorporation provide that directors shall have more or less than one vote per director on any matter, every reference in this Act to a majority or other proportion of directors shall refer to a majority or other proportion of the votes of the directors.

Prior legislation: 1956 Code 4:27; Lib. Corp. L., 1948, §27; 1976 Liberian Code of Laws Revised, Chapter 6, §6.5, amended effective June 19, 2002

§6.6. Newly created directorships and vacancies.

1. *How vacancies filled in general*. Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the board for any reason except the removal of directors without cause may be filled by vote of a majority of the directors then in office, although less than a quorum exists, unless the articles of incorporation or the bylaws provide that such newly created directorships or vacancies shall be filled by vote of the shareholders.

2. *Vacancies on removal without cause*. Unless the articles of incorporation or the specific provisions of a bylaw adopted by the shareholders provide that the board shall fill vacancies occurring in the board by reason of the removal of directors without cause, such vacancies may be filled only by vote of the shareholders.

3. *Term*. A director elected to fill a vacancy shall be elected to hold office for the unexpired term of his predecessor.

Prior legislation: 1956 Code 4:27; Lib. Corp. L., 1948, §27.

§6.7. Removal of directors.

1. *Removal for cause*. Any or all of the directors may be removed for cause by vote of the shareholders. The articles of incorporation or bylaws may provide for the removal of one or more directors by action of the board, except in the case of any director elected by cumulative voting,

or by the holders of the shares of any class or series when so entitled by the provisions of the articles of incorporation.

2. *Removal without cause*. Subject to Section 6.7.2, any director or the entire board of directors of a corporation incorporated, reregistered or re-domiciled to Liberia may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors (except in the case of a corporation incorporated, reregistered or re-domiciled before the effective date of the 2020 Amendment Act, in which case the shareholders may not remove any or all of the directors without cause unless the articles of incorporation of such corporation permit such removal without cause). Unless the articles of incorporation otherwise provide, in the case of a corporation whose board is classified as provided in Section 6.5.1, shareholders may effect such removal only for cause. The articles of incorporation may provide that shareholders may remove directors only for cause.

3. *Limitations on removal*. The removal of directors, with or without cause, as provided in Sections 6.7.1 and 6.7.2, is subject to the following:

(a) In the case of a corporation having cumulative voting, no director may be removed when the votes cast against his removal would be sufficient to elect him if voted cumulatively at an election at which the same total number of votes were cast and the entire board, or the entire class of directors of which he is a member, were then being elected; and

(b) When by the provisions of the articles of incorporation the holders of the shares of any class or series, or holders of bonds, voting as a class, are entitled to elect one or more directors, any director so elected may be removed only by the applicable vote of the holders of the shares of that class or series, or the holders of such bonds, voting as a class.

4. As used in this Chapter, "***entire board***" means the total number of directors that the corporation would have if there were no vacancies.

§6.8. Quorum: action by the board.

1. *Quorum defined*. Unless a greater proportion is required by the articles of incorporation, a majority of the entire board, present in person or by proxy at a meeting duly assembled, shall constitute a quorum for the transaction of business or of any specified item of business, except that the articles of incorporation or the bylaws may fix the quorum at less than a majority of the entire board.

2. *Vote at meeting as action by board*. The vote of the majority of the directors present in person or by proxy at a meeting at which a quorum is present shall be the act of the board unless the articles of incorporation require the vote of a greater number.

3. *Proxies*. Unless otherwise provided in the articles of incorporation or the bylaws, any director may be represented and vote at a meeting or consent to an action without a meeting by proxy or proxies given to another person, whether or not a director, appointed by instrument in writing, by means of electronic transmission or as otherwise permitted by applicable law. The articles of incorporation or bylaws may contain restrictions, prohibitions or limitations upon the grant or use of proxies by directors. A director may attend a meeting, or consent to an action without a meeting, by his proxy. Unless otherwise provided in the articles of incorporation or bylaws, a consent transmitted by electronic transmission by a director or by a person or persons authorized to act for a director shall be deemed to be written and signed for purposes of Section 6.8.3.

4. *Action without meeting*. Unless otherwise restricted by the articles of incorporation or bylaws, any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing or electronic transmission and the writing or writings or electronic transmission are filed with the minutes of the proceedings of the board or committee. Any person (whether or not then a director) may provide, whether through instruction to an agent or otherwise, that a consent to action will be effective at a future date (including upon the happening of an event), and such consent shall be deemed to have been given for purposes of Section 6.8.4 on such effective date so long as such person is then a

director and did not revoke the consent prior to such date. Any such consent shall be revocable prior to its becoming effective.

5. *Participation by conference telephone*. Unless restricted by the articles of incorporation or bylaws, members of the board or any committee thereof may participate in a meeting of such board or committee by means of conference telephone or similar communication equipment which permits all persons participating in the meeting to simultaneously communicate with each other, and participation in a meeting pursuant to this paragraph shall constitute presence in person at such meeting.

6. *Greater requirement as to quorum and vote of directors*. The articles of incorporation may contain provisions specifying either or both of the following:

(a) That the proportion of directors that shall constitute a quorum for the transaction of business or of any specified item of business shall be greater than the proportion prescribed by Section 6.8.1 in the absence of such provision;

(b) That the proportion of votes of directors that shall be necessary for the transaction of business or of any specified item of business shall be greater than the proportion prescribed by Section 6.8.2 in the absence of such provision.

7. *Amendment of articles of incorporation with regard to quorum or votes of directors*. An amendment of the articles of incorporation which adds a provision permitted by Section 6.8.6, or which changes or strikes out such a provision, shall be authorized at a meeting of shareholders by vote of the holders of two-thirds of all outstanding shares entitled to vote thereon, or of such greater proportion of shares, or class or series of shares, as may be provided specifically in the articles of incorporation for adding, changing, or striking out a provision permitted by Section 6.8.6.

Prior legislation: L. 1961-62, ch. XLVII, 32(4:25(d)-(g)); 1956 Code 4:25; Lib. Corp. L., 1948, §25; 1976 Liberian Code of Laws Revised, Chapter 6, §6.8, amended effective June 19, 2002

§6.9. Meetings of the board.

1. *Time and place*. Meetings of the board, regular or special, may be held at any place within or without the Republic of Liberia, unless otherwise provided by the articles of incorporation or the bylaws. The time and place for holding meetings of the board may be fixed by or under the bylaws, or if not so fixed, by the board.

2. *Notice of meetings*. Unless otherwise provided by the articles of incorporation or bylaws, regular meetings of the board may be held without notice if the time and place of such meetings are fixed by the bylaws or the board. Special meetings of the board may be called in the manner provided in the bylaws and shall be held upon notice to the directors, which may be provided electronically (unless otherwise provided by the articles of incorporation or bylaws). The bylaws may prescribe what shall constitute notice of meeting of the board. A notice or waiver of notice need not specify the purpose of any regular or special meeting of the board, unless required by the bylaws.

3. *Waiver of notice*. Notice of a meeting need not be given to any director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting the lack of notice.

Prior legislation: L. 1961-62, ch. XLVII, §2 (4:25(d)-(g)); 1956 Code 4:25; Lib. Corp. L., 1948, §25.

§6.10. Executive and other committees.

1. *Appointment and powers of committees*. If the articles of incorporation or the bylaws so provide, the board, by resolution adopted by the board, may designate from among its members an executive committee and other committees, each of which, to the extent provided in the resolution or in the articles of incorporation or bylaws of the corporation, shall have and may exercise all the authority of the board of directors, but no such committee shall have the authority as to the following matters:

(a) The submission to shareholders of any action that requires shareholders' authorization under this Act;

(b) The filling of vacancies in the board of directors or in a committee;

(c) The fixing of compensation of the directors for serving on the board or on any committee;

(d) The amendment or repeal of the bylaws, or the adoption of new bylaws;

(e) The amendment or repeal of any resolution of the board which by its terms shall not be so amendable or repealable.

Section 6.10.1(c) shall not apply to a public company.

2. *Tenure; effect of committee on duty of directors*. Each committee shall serve at the pleasure of the board. The designation of any such committee and the delegation thereto of authority shall not alone relieve any director of his duty to the corporation under Section 6.14.

3. *Quorum and voting of Committee*. A majority of the directors then serving on a committee of the board shall constitute a quorum for the transaction of business by the committee unless the articles of incorporation, the bylaws, or a resolution of the board requires a greater or lesser number, provided that in no case shall a quorum be less than ⅓ of the directors then serving on the committee. The vote of the majority of the members of a committee present at a meeting at which a quorum is present shall be the act of the committee, unless the articles of incorporation, the bylaws, a resolution of the board requires a greater number.

4. *Subcommittees*. Every reference in this Act to a committee of the board of directors or a member of a committee shall be deemed to include a reference to a subcommittee or member of a subcommittee.

Prior legislation: 1956 Code 4:26; Lib. Corp. L., 1948, §26.

§6.11. Director conflicts of interest.

1. *Effect of personal financial interest or common directorship*. No contract or other transaction between a corporation and one or more of its directors, or between a corporation and any other corporation, firm, association or other entity in which one or more of its directors are directors or officers, or have a substantial financial interest, shall be either void or voidable for this reason alone or by reason alone that such director or directors are present at the meeting of

the board, or of a committee thereof, which approves such contract or transaction, or that his or their votes are counted for such purpose:

(a) If the material facts as to such director's interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the board or committee, and the board or committee approves such contract or transaction by a vote sufficient for such purpose without counting the vote of such interested director or, if the votes of the disinterested directors are insufficient to constitute an act of the board as defined in Section 6.8, by unanimous vote of the disinterested directors; or

(b) If the material facts as to such director's interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the shareholders entitled to vote thereon, and such contract or transaction is approved by vote of such shareholders; or

(c) The contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the board of directors, a committee or the shareholders.

2. *Determining quorum*. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board or of a committee which approves such contract or transaction.

3. *Additional restrictions on transactions with directors*. The articles of incorporation may contain additional restrictions on contracts or transactions between a corporation and its directors and may provide that contracts or transactions in violation of such restrictions shall be void or voidable by the corporation.

4. *Compensation of board*. Unless otherwise provided in the articles of incorporation or the bylaws, the board shall have authority to fix the compensation of directors for services in any capacity.

5. *Applicability of Section 5.16*. This Section 6.11 shall not override or be construed to limit the applicability of Section 5.16.

§6.12. Loans to directors.

Unless restricted by the articles of incorporation or the bylaws, a corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiary, including any officer or employee who is a director of the corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the corporation. The loan, guaranty or other assistance may be with or without interest, and may be unsecured, or secured in such manner as the board of directors shall approve, including, without limitation, a pledge of shares of the corporation. Nothing in Section 6.12 shall be deemed to deny, limit or restrict the powers of guaranty or warranty of any corporation at common law or under any statute.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 6, §6.12, amended effective June 19, 2002

§6.13. Indemnification of directors and officers.

1. *Actions not by or in right of the corporation*. A corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of no contest, or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he

reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

2. *Actions by or in right of the corporation*. A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him or in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or nor opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

3. *When director or officer successful*. To the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 6.13.1 or 6.13.2, or in the defense of a claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

4. *Payment of expenses in advance*. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid in advance of the final disposition of such action, suit or proceeding as authorized by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the corporation as authorized in Section 6.13.

5. *Insurance*. A corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in such capacity whether or not the corporation would have the power to indemnify him against such liability under the provisions of Section 6.13.

6. *Other rights of indemnification unaffected*. The indemnification and advancement of expenses provided by, or granted pursuant to, Section 6.13 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office.

7. *Continuation of indemnification*. The indemnification and advancement of expenses provided by, or granted pursuant to, Section 6.13 shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administration of such persons.

Prior legislation: L. 1961-62, ch. XLVII, & (14:2(j)); 1956 Code 4:2(k); Lib. Corp. L., 1948, §2(k); 1976 Liberian Code of Laws Revised, Chapter 6, §6.13, amended effective June 19, 2002

§6.14. Standard of care to be observed by directors and officers.

Directors and officers shall discharge the duties of their respective positions in good faith and with that degree of diligence, care and skill which ordinarily prudent men would exercise under similar circumstances in like positions. A member of the board of directors, or a member of any committee designated by the board of directors, shall, in the performance of such member's duties, be fully protected in relying in good faith upon the records of the corporation and upon such information, opinions, reports or statements presented to the corporation by any of the corporation's officers or employees, or committees of the board of directors, or by any other person as to matters the member reasonably believes are within such other person's professional

or expert competence and who has been selected with reasonable care by or on behalf of the corporation.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 6, §6.14, amended effective June 19, 2002

§6.15. Officers.

1. *Appointment*. Every corporation shall have such officers with such titles and duties as shall be stated in the articles of incorporation or the bylaws or in a resolution of the board of directors which is not inconsistent with the bylaws and as may be necessary to enable it to sign instruments and share certificates which comply with provisions of this Act in respect of the signing of instruments and certificates. One of the officers shall be a secretary who shall have the duty to record the proceedings of the meetings of the shareholders and directors in a book to be kept for that purpose and otherwise acting as the secretary of the corporation.

2. *Election by shareholders*. The articles of incorporation or the bylaws may provide that all officers or that specified officers shall be elected by the shareholders instead of by the board of directors.

3. *Terms*. Unless otherwise provided in the articles of incorporation or bylaws, all officers shall be elected or appointed to hold office until the meeting of the board following the next annual meeting of shareholders, or in the case of officers elected by the shareholders, until the next annual meeting of the shareholders.

4. *Tenure*. Each officer shall hold office for the term for which he is elected or appointed, and until his successor has been elected or appointed and qualified, or until he resigns.

5. *Same person for more than one office*. Any two or more offices may be held by the same person unless the articles of incorporation or bylaws otherwise provide.

6. *Security for performance*. The board may require any officer to give security for the faithful performance of his duties. The corporation may secure the fidelity of any or all of its officers or agents by bond or otherwise.

7. *Duties*. All officers as between themselves and the corporation shall have such authority and perform such duties with respect to the management of the corporation as may be provided in the bylaws or, to the extent not so provided, by the board.

8. *Status, nationality and residence*. Unless otherwise required by any statutory or administrative provision or under the terms of any license to conduct business or by the articles of incorporation, officers may be persons, natural or legal, of any nationality or citizenship and need not be residents of Liberia.

9. *Failure to elect or appoint officers not to affect status of corporation*. A failure to elect or appoint officers shall not dissolve or otherwise affect the corporation.

Prior legislation: 1956 Code 4:28; Lib. Corp. L., 1948, §28; 1976 Liberian Code of Laws Revised, Chapter 6, §6.15, amended effective June 19, 2002

§6.16. Removal of officers.

1. *Method of removal*. Any officer elected or appointed by the board may be removed by the board with or without cause except as otherwise provided in the articles of incorporation or the bylaws. An officer elected by the shareholders may be removed, with or without cause, only by vote of the shareholders, but his authority to act as an officer may be suspended by the board for cause.

2. *Effect of removal without cause*. The removal of an officer without cause shall be without prejudice to his contract rights, if any. The election or appointment of an officer shall not of itself create contract rights.

CHAPTER 7.

SHAREHOLDERS

§7.1. Meetings of shareholders.
§7.2. Notice of meetings of shareholders.
§7.3. Waiver of notice.
§7.4. Action by shareholders without a meeting.
§7.5. Fixing record date.
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§7.10. List of shareholders at meetings.
§7.11. Qualification of voters.
§7.12. Voting trusts.
§7.13. Agreements among shareholders as to voting.
§7.14. Conduct of shareholders' meetings.
§7.15. Preemptive rights.
§7.16. Shareholders' derivative actions.

§7.1. Meetings of shareholders.

1. *Place of meeting*. Meetings of shareholders shall be held at such place, either within or without Liberia, as may be designated in the bylaws.

2. *Time of meeting; business*. Unless directors are elected by written consent in lieu of an annual meeting as permitted by Section 7.1.2, an annual meeting of shareholders shall be held for the election of directors on a date and at a time designated by or in the manner provided in the bylaws. Shareholders may, unless the articles of incorporation otherwise provide, act by written consent to elect directors; provided, however, that, if such consent is less than unanimous, such action by written consent may be in lieu of holding an annual meeting only if all of the directorships to which directors could be elected at an annual meeting held at the effective time of such action are vacant and are filled by such action. Any other proper business may be transacted at the annual meeting.

3. *Failure to hold meeting*. A failure to hold the annual meeting at the designated time or to elect a sufficient number of directors to conduct the business of the corporation shall not affect otherwise valid corporate acts or cause a dissolution of the corporation except as may be

otherwise specifically provided in this Act. If the annual meeting for election of directors is not held on the date designated therefor, the directors shall cause the meeting to be held as soon thereafter as convenient. If there is a failure to hold the annual meeting for a period of ninety (90) days after the date designated therefor, or if no date has been designated, for a period of thirteen (13) months after the organization of the corporation or after its last annual meeting, holders of not less than ten percent (10%) of the shares entitled to vote in an election of directors may, in writing, demand the call of a special meeting specifying the time thereof, which shall not be less than two nor more than three (3) months from the date of such call. An officer fulfilling the role of secretary of the corporation upon receiving the written demand shall promptly give notice of such meeting, or if he fails to do so within five (5) business days thereafter, any shareholder signing such demand may give such notice. The shares of the corporation represented at such a meeting, either in person or by proxy or attorney, and entitled to vote thereat, shall constitute a quorum notwithstanding any provision of the articles of incorporation or bylaws to the contrary. An electronic transmission demanding the call of a special meeting transmitted by a shareholder pursuant to Section 7.1.3 shall be deemed to be written for the purposes of Section 7.1.3, provided that any such electronic transmission sets forth or is delivered with information from which the corporation can determine (a) that the electronic transmission was transmitted by the shareholder and (b) the date on which such shareholder transmitted such electronic transmission.

4. *Special meetings*. Special meetings of the shareholders may be called by the board of directors or by such person or persons as may be authorized by the articles of incorporation or by the bylaws. At any such special meeting only such business as is related to the purpose or purposes set forth in the notice required by Section 7.2 shall be transacted.

5. *Ballots*. The articles of incorporation or the bylaws may provide that elections of directors shall be by written ballot.

Prior legislation: 1956 Code 4:21, 27; Lib. Corp. L., 1948, §§21, 27; 1976 Liberian code of Laws Revised, Chapter 7, §7.1, amended effective June 19, 2002

§7.2. Notice of meetings of shareholders.

1. *Requirement*. Whenever under the provisions of this Act shareholders are required or permitted to take any action at a meeting, written notice shall state the place, date and hour of the meeting and, unless it is the annual meeting, indicate that it is being issued by or at the direction of the person or persons calling the meeting. Notice of a special meeting shall also state the purpose for which the meeting is called.

2. *Manner of giving notice to registered shareholders*. A copy of the notice of any meeting shall be given personally or sent by mail, telegraph, teleprinter, email, or other electronic transmission, not less than fifteen (15) nor more than sixty (60) days before the date of the meeting, to each registered shareholder entitled to vote at such meeting. If mailed, such notice is given when deposited in the mail, directed to the shareholder at his address as it appears on the record of shareholders, or, if he shall have filed with the person fulfilling the role of secretary of the corporation a written request that notices to him be mailed to some other address, then directed to him at such other address.

3. *Manner of giving notice to bearer shareholders*. Subject to Section 5.1.7, notice of any meeting shall be given to shareholders of bearer shares in accordance with the provisions of Section 1.9 and shall conform to the provisions set forth in Section 5.15. The notice shall include a statement of the conditions under which shareholders may attend the meeting and exercise the right to vote.

4. *Adjournments*. When a meeting is adjourned to another time or place, it shall not be necessary, unless, only in the case of corporations incorporated, reregistered or re-domiciled prior to the effective date of the 2020 Amendment Act, the meeting was adjourned for a lack of quorum or unless the bylaws require otherwise, to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting. However, if after the adjournment the board fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record on the new record date entitled to notice under Section 7.2.1.

Prior legislation: 1956 Code 4:21; Lib. Corp. L., 1948, §21; 1976 Liberian code of Laws Revised, Chapter 7, §7.2, amended effective June 19, 2002

§7.3. Waiver of notice.

Notice of meeting need not be given to any shareholder who submits a signed waiver of notice, in person or by proxy, whether before or after the meeting. The attendance of any shareholder at a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him.

Prior legislation: 1956 Code 4:21; Lib. Corp. L., 1948, §21

§7.4. Action by shareholders without a meeting.

1. *Action without meeting of shareholders*. Unless otherwise provided in the articles of incorporation or in the bylaws, any action required by this Act to be taken at any annual or special meeting of shareholders of a corporation, or any action which may be taken at any annual or special meeting of such shareholders, may be taken without a meeting without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed or electronically transmitted by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, and shall be delivered to the corporation by delivery to an officer or agent of the corporation having custody of the book in which proceedings of meetings of shareholders are recorded.

2. *Form and timing of consent*. No written consent shall be effective to take the corporate action referred to therein unless written consents signed or electronically consented to by a sufficient number of shareholders to take action are delivered to the corporation in the manner required by Section 7.4 within sixty (60) days of the first date on which a written or electronic consent is so delivered to the corporation. Any person executing or electronically transmitting a consent may provide, whether through instruction to an agent or otherwise, that such a consent will be effective at a future time, including a time determined upon the happening of an event, no later than sixty (60) days after such instruction is given or such provision is made, if evidence of such instruction or provision is provided to the corporation. Unless otherwise provided, any such

consent shall be revocable prior to its becoming effective. An email, facsimile or other electronic transmission consenting to an action to be taken and transmitted by a shareholder, proxyholder, or person or persons authorized to act for a shareholder or proxyholder, shall be deemed to be written and signed for the purposes of Section 7.4, provided that any such email, facsimile or other electronic transmission sets forth or is delivered with information from which the corporation can determine: (i) that the email, facsimile or other electronic transmission was transmitted by the shareholder, proxyholder or person or persons authorized to act for the shareholder or proxyholder; and (ii) the date on which such shareholder proxyholder or authorized person or persons transmitted such email, facsimile or electronic transmission. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

3. *Notice and certificates*. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those shareholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of shareholders to take the action were delivered to the corporation as provided in Section 7.5. In the event that the action which is consented to is such as would have required the filing of a certificate under any other section of this Act, if such action had been voted on by shareholders at a meeting thereof, the certificate filed under such other section shall state, in lieu of any statement required by such section concerning any vote of shareholders, that written consent has been given in accordance with this Section.

4. *Participation by conference telephone*. Unless restricted by the articles of incorporation or bylaws, shareholders may participate in shareholders' meeting by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can simultaneously communicate with each other, and participation in a meeting pursuant to Section 7.4.4 shall constitute presence in person at such meeting.

5. *Participation by remote communication*. If authorized by the board of directors in its sole discretion, and subject to such guidelines and procedures as the board of directors may adopt, shareholders and proxyholders not physically present at a meeting of shareholders may, by means of remote communication, be deemed present in person and vote at a meeting of shareholders, whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (i) the corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a shareholder or proxyholder, (ii) the corporation shall implement reasonable measures to provide such shareholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the shareholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if any shareholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the corporation.

Prior legislation: 1976 Liberian code of Laws Revised, Chapter 7, §7.4, amended effective June 19, 2002

§7.5. Fixing record date.

1. *Record date for notice of or voting at a meeting*. In order that the corporation may determine the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the board of directors, the record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day preceding the day on which notice is given, or, if notice is waived, at the close of business on the day preceding the day on which the meeting is held. A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

2. *Record date for consent to action without a meeting*. In order that the corporation may determine the shareholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors. If no record date has been fixed by the board of directors, the record date for determining shareholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required by this Act, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to an officer or agent of the corporation having custody of the book in which proceedings of meetings of shareholders are recorded. If no record date has been fixed by the board of directors and prior action by the board of directors is required by this Act, the record date for determining shareholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

3. *Record date for participation in dividend and other rights*. In order that the corporation may determine the shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the shareholders entitled to exercise any rights in respect of any change, conversion or exchange of shares, or for the purpose of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining shareholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

Prior legislation: 1956 Code 4:22; Lib. Corp. L., 1948, §22; 1976 Liberian code of Laws Revised, Chapter 7, §7.5, amended effective June 19, 2002

§7.6. Proxies.

1. *Voting by proxy authorized*. Every shareholder entitled to vote at a meeting of shareholders or to express consent or dissent without a meeting may authorize another person to act for him by proxy.

2. *Signing; period of validity; revocability*. Every proxy must be granted in writing, by means of electronic transmission, or as otherwise permitted by applicable law, by the shareholder or his attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the shareholder executing it, except as otherwise provided in Section 7.6.

3. *Revocation by death or incompetence of shareholder*. The authority of the holder of a proxy to act shall not be revoked by the death or incompetence of the shareholder who executed the proxy unless, before the authority is exercised, written notice of an adjudication of such death or of such incompetence is received by the corporate officer responsible for maintaining the list of shareholders.

4. *Issue of proxy by record holder*. Except when other provisions shall have been made by written agreement between the parties, the record holder of shares which are held by a pledgee as security or which belong to another, upon demand therefor and payment of necessary expenses thereof, shall issue to the pledgee or to such owner of such shares a proxy to vote or take other action thereon.

5. *Sale of vote forbidden*. A shareholder shall not sell his vote, or issue a proxy to vote to any person for any sum of money or anything of value, except as authorized in Section 7.6 and Sections 7.11 and 7.12.

6. *When proxy is irrevocable*. A proxy which is entitled "irrevocable proxy" and which states that it is irrevocable, is irrevocable if and as long as it is coupled with an interest sufficient to support an irrevocable power, including when it is held by any of the following or a nominee of any of the following:

(a) A pledgee;

(b) A person who has purchased or agreed to purchase the shares;

(c) A creditor of the corporation who extends or continues credit to the corporation in consideration of the proxy if the proxy states that it was given in consideration of

such extension or continuation of credit, the amount thereof, and the name of the person extending or continuing credit;

(d) A person who has contracted to perform services as an officer of the corporation, if a proxy is required by the contract of employment, if the proxy states that it was given in consideration of such contract of employment, the name of the employee and the period of employment contracted for;

(e) A person designated by or under an agreement under Section 7.13.

7. *When proxy stated to be irrevocable becomes revocable*. Notwithstanding a provision in a proxy stating that it is irrevocable, the proxy becomes revocable after:

(a) The pledge is redeemed;

(b) The debt of the corporation is paid;

(c) The period of employment provided for in the contract of employment has terminated;

(d) The agreement under Section 7.13 has been terminated; or

(e) In a case provided for in Section 7.6.6(d), at the end of the period, if any, specified therein as the period during which it is irrevocable, or three (3) years after the date of the proxy, whichever period is less, unless the period of irrevocability is renewed from time to time by the execution of a new irrevocable proxy as provided in this Section 7.6. This paragraph does not affect the duration of a proxy under Section 7.6.2.

8. *Purchaser without knowledge of irrevocable proxy*. A proxy may be revoked, notwithstanding a provision making it irrevocable, by a purchaser of shares without knowledge of the existence of the provision unless the existence of the proxy and its irrevocability is noted conspicuously on the face or back of the certificate representing such shares.

9. *Electronic Transmission*. Unless otherwise provided in the articles of incorporation or bylaws, a proxy transmitted by electronic transmission by a shareholder or a person or persons authorized to act for a shareholder shall be deemed to be written and signed for purposes of Section 7.6.2.

10. *Proxy by Phone*. Shareholders of a public company may grant a proxy by telephone, so long as there is a method designed to authenticate the identity of the shareholder, in which case such proxy shall be regarded as "means of electronic transmission" for purposes of Section 7.6.2.

Prior legislation: 1956 Code 4:23; Lib, Corp. L., 1948, §23; 1976 Liberian code of Laws Revised, Chapter 7, §7.6, amended effective June 19, 2002

§7.7. Quorum of shareholders.

1. *Number constituting quorum*. Unless otherwise provided in the articles of incorporation or bylaws, a majority of shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders, but in no event shall a quorum consist of fewer than one-third of the shares entitled to vote at a meeting.

2. *Withdrawal of shareholders after quorum present*. When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholders.

3. *Adjournment by less than quorum*. The shareholders present may adjourn the meeting despite the absence of a quorum.

§7.8. Vote of shareholders required.

1. *Election of directors*. Directors shall, except as otherwise required by this Act or by the articles of incorporation as permitted by this Act, be elected by a plurality of the votes cast at a meeting of shareholders by the holders of shares entitled to vote in the election.

2. *Cumulative voting*. The articles of incorporation of any corporation may provide that in all elections of directors of such corporation each shareholder shall be entitled to as many votes as shall equal the number of votes which, except for such provisions as to cumulative voting, he would be entitled to cast for the election of directors with respect to his shares multiplied by the

number of directors to be elected, and that he may cast all of such votes for a single director or may distribute them among the number to be voted for, or any two or more of them, as he may see fit. This right, when exercised, shall be termed cumulative voting.

3. *Action other than election of directors*. Whenever any corporate action, other than the election of directors, is to be taken under this Act by vote of the shareholders, it shall, except as otherwise required or permitted by this Act or by the articles of incorporation as permitted by this Act, be authorized by a majority of the votes cast at a meeting of shareholders by the holders of shares entitled to vote thereon.

Prior legislation: 1956 Code 4:24, 27; Lib. Corp. L., 1948, §§24, 27; 1976 Liberian Code of Laws Revised, Chapter 7, §7.8, amended effective June 19, 2002

§7.9. Greater requirement as to quorum and vote of shareholders.

1. *Greater requirement permitted*. Unless specifically prohibited by this Act, including Section 5.16.5, the articles of incorporation may contain provisions specifying either or both of the following:

(a) That the proportion of shares, or the proportion of shares of any class or series thereof, the holders of which shall be present in person or by proxy at any meeting of shareholders in order to constitute a quorum for the transaction of any business or of any specified item of business, including amendments to the articles of incorporation, shall be greater than the proportion prescribed by this Act in the absence of such provision;

(b) That the proportion of votes of the holders of shares, or of the holders of shares of any class or series thereof, that shall be necessary at any meeting of shareholders for the transaction of any business or of any specified item of business, including amendments to the articles of incorporation, shall be greater than the proportion prescribed by this Act in the absence of such provision.

2. *Amendment of articles of incorporation*. An amendment of the articles of incorporation which adds a provision permitted by Section 7.9 or which changes or strikes out such a provision, shall be authorized at a meeting of shareholders, by vote of the holders of two-thirds

of all outstanding shares entitled to vote thereon, or of such greater proportion of shares, or class or series of shares, as may be provided specifically in the articles of incorporation for adding, changing, or striking out a provision permitted by Section 7.9.

Prior legislation: 1976 Liberian code of Laws Revised, Chapter 7, §7.9, amended effective June 19, 2002

§7.10. List of shareholders at meetings.

A list of registered shareholders as of the record date, and subject to Section 5.1.7, of holders of bearer shares who as of the record date have qualified for voting, certified by the corporate officer responsible for its preparation or by a transfer agent, shall be produced at any meeting of shareholders upon request of any shareholder at the meeting or prior thereto. If the right to vote at any meeting is challenged, the inspector of election, or person presiding thereat, shall require such list of shareholders to be produced as evidence of the right of the persons challenged to vote at such meeting, and all persons who appear from such list to be shareholders entitled to vote thereat may vote at such meeting.

Prior legislation: 1956 Code 4:22 (2nd par.); Lib. Corp. L., 1948, §22 (2nd par.).

§7.11. Qualification of voters.

1. *Right of shareholder*. Every registered shareholder as of the record date and every holder of bearer shares who, as of the record date, has qualified for voting, shall be entitled at every meeting of shareholders to one vote for every share standing in his name, unless otherwise provided in the articles of incorporation. Persons holding shares in a fiduciary capacity shall be entitled to vote the shares so held. If the articles of incorporation provide that the holder of shares shall have more or less voting power than one vote per share on any matter, every reference in this Act to a majority or other proportion of shares shall refer to a majority or other proportion of the votes relating to the shares, including Sections 7.7 and 7.8.

2. *Treasury shares*. Treasury shares are not shares entitled to vote or to be counted in determining the total number of outstanding shares.

3. *Shares held by subsidiary corporation*. Shares of a parent corporation held by a subsidiary corporation are not shares entitled to vote or to be counted in determining the total number of outstanding shares.

4. *Shares held by fiduciary*. Shares held by an administrator, executor, guardian, conservator, committee, or other fiduciary, except a trustee, may be voted by him, either in person or by proxy, without transfer of such shares into his name. Shares held by a trustee may be voted by him, either in person or by proxy, only after the shares have been transferred into his name as trustee or into the name of his nominee.

5. *Shares held by receiver*. Shares held by or under the control of a receiver may be voted by him without the transfer thereof into his name if authority so to do is contained in an order of the court by which such receiver was appointed.

6. *Pledged shares*. Persons whose shares are pledged shall be entitled to vote, unless in the transfer by the pledgor on the books of the corporation he has expressly empowered the pledgee to vote thereon, in which case only the pledgee or his proxy or attorney may represent such shares and vote thereon. This provision shall not be deemed to invalidate any irrevocable proxy which is otherwise not illegal.

7. *Shares in the name of another corporation or legal entity*. Shares standing in the name of another domestic or foreign corporation or any other domestic or foreign legal entity of any type or kind may be voted by such officer, agent or proxy as the bylaws or other constitutional documents of such corporation or other legal entity may provide, or, in the absence of such provision, as the board or other governing body of such corporation or other legal entity may determine.

8. *Limitations on right to vote*. The articles of incorporation, except as limited by Section 5.1, may provide, either absolutely or conditionally, that the holder of any designated class or series of shares shall not be entitled to vote, or it may otherwise limit or define the respective voting powers of the several classes or series of shares, and, except as otherwise provided in this Act, such provisions of such articles of incorporation shall prevail, according to their tenor, in all

elections and in all proceedings, over the provisions of this Act which authorize any action by the shareholders.

Prior legislation: Par. 1: 1956 Code 4:22; Lib. Cap L., 1948, §22; Par. 2: 1956 Code 4:5(e); Lib. Corp. L., 1945, §4.5(e); 1976 Liberian code of Laws Revised, Chapter 7, §7.11, amended effective June 19, 2002

§7.12. Voting trusts.

1. *Voting trusts authorized*. Any shareholder, under an agreement in writing, may transfer his shares to a voting trustee for the purpose of conferring the right to vote thereon for a period not exceeding ten (10) years upon the terms and conditions stated therein. The certificates for shares so transferred shall be surrendered and cancelled and new certificates therefor issued to such trustee stating that they are issued under such agreement, and in the entry of such ownership in the record of the corporation that fact shall also be noted, and such trustee may vote the shares so transferred during the term of such agreement. At the termination of the agreement, the shares surrendered shall be reissued to the owner in accordance with the terms of the trust agreement.

2. *Right of inspection by certificate holders*. The trustee shall keep available for inspection by holders of voting trust certificates at his office or at a place designated in such agreement or of which the holders of voting trust certificates have been notified in writing, correct and complete books and records of account relating to the trust, and a record containing the names and addresses of all persons who are holders of voting trust certificates and the number and class of shares represented by the certificates held by them and the dates when they became the owners thereof. The record may be in written form or any other form capable of being converted into written form within a reasonable time.

3. *Records in office of corporation*. A copy of every such agreement and amendment(s) thereto shall be delivered to the office of the corporation and it and the record of voting trust certificate holders shall be subject to the same right of inspection by a shareholder of record or a holder of a voting trust certificate, in person or by agent or attorney, as are the records of the corporation under Section 8.2. The shareholder or holder of a voting trust certificate shall be entitled to the remedies provided in Section 8.4.

4. *Extension agreements*. At any time within six (6) months before the expiration of such voting trust agreement as originally fixed or as extended one or more times under Section 7.12, one or more holders of voting trust certificates may, by agreement in writing, extend the duration of such voting trust agreement, nominating the same or a substitute trustee, for an additional period not exceeding ten (10) years. Such extension agreement shall not affect the rights or obligations of persons not parties thereto and shall in every respect comply with and be subject to all the provisions of Section 7.12 applicable to the original voting trust agreement.

5. *Power of trustee to vote*. The voting trustee or trustees may vote the shares so issued or transferred during the period specified in the agreement. Shares standing in the name of the voting trustee or trustees may be voted either in person or by proxy, and in voting the shares, the voting trustee or trustees shall incur no responsibility as shareholder, trustee or otherwise, except for their own individual malfeasance. In any case where two or more persons are designated as voting trustees, and the right and method of voting any shares standing in their names at any meeting of the corporation are not fixed by the agreement appointing the trustees, the right to vote the shares and the manner of voting them at the meeting shall be determined by a majority of the trustees, or if they be equally divided as to the right and manner of voting the shares in any particular case, the vote of the shares in such case shall be divided equally among the trustees.

Prior legislation: 1956 Code 4:16; Lib. Corp. L., 1948, §16; 1976 Liberian code of Laws Revised, Chapter 7, §7.12, amended effective June 19, 2002

§7.13. Agreements among shareholders as to voting.

An agreement between two or more shareholders, if in writing and signed by the parties thereto, may provide that in exercising any voting rights, the shares held by them shall be voted as therein provided, or as they may agree, or as determined in accordance with a procedure agreed upon by them.

§7.14. Conduct of shareholders' meetings.

1. *Selection of inspectors*. Unless otherwise provided in the bylaws, the board, in advance of any shareholders' meeting, may appoint one or more inspectors to act at the meeting or any adjournment thereof. If inspectors are not so appointed, the person presiding at a shareholders'

meeting may, and on the request of any shareholder entitled to vote thereat shall, appoint one or more inspectors. In case any person appointed fails to appear or act, the vacancy may be filled by appointment made by the board in advance of the meeting or at the meeting by the person presiding thereat. Each inspector, before entering upon the discharge of his duties, shall take an oath faithfully to execute the duties of inspector at such meeting.

2. *Duties of inspectors*. Unless otherwise provided in the bylaws, the inspectors shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots, or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the results, and do such acts as are proper to conduct the election or vote with fairness to all shareholders entitled to vote thereat. Unless waived by vote of the shareholders, the inspectors shall make a report in writing of any challenge, question or matter determined by them and execute a sworn certificate of any fact found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated and of the vote as certified by them.

3. *Applicability*. Section 7.14 shall apply only to a corporation that is a public company.

§7.15. Preemptive rights.

1. *When shares are subject to preemptive rights*. In the case of any corporation incorporated, reregistered or re-domiciled before the effective date of the 2020 Amendment Act, except as otherwise provided in the articles of incorporation or in Section 7.15, in the event of:

(a) The proposed issuance by the corporation of shares, whether or not of the same class as those previously held, which would adversely affect the voting rights or rights to current and liquidating dividends of such holders, or

(b) The proposed issuance by the corporation of securities convertible into or carrying an option to purchase shares referred to in Section 7.15(a), or

(c) The granting by the corporation of any options or rights to purchase shares or securities referred to in Section 7.15(a) or Section 7.15(b), the holders of shares of

any class shall have the right, during a reasonable time and on reasonable terms, to be determined by the board, to purchase such shares or other securities, as nearly as practicable, in such proportion as would, if such preemptive right were exercised, preserve the relative rights to current and liquidating dividends and voting rights of such holders and at a price or prices no less favorable than the price at which such shares, securities, options or rights are to be offered to other holders. The holders of shares entitled to the preemptive right, and the number of shares for which they have a preemptive right, shall be determined by fixing a record date in accordance with Section 7.5.

2. *When shares are not subject to preemptive rights*. Except as otherwise provided in the articles of incorporation, shareholders shall have no preemptive right to purchase:

(a) Shares or other securities issued to effect a merger or consolidation; or

(b) Shares or other securities issued or optioned to directors, officers, or employees of the corporation as an incentive to service or continued service with the corporation pursuant to an authorization given by the shareholders, and by the vote of the holders of the shares entitled to exercise preemptive rights with respect to such shares; or

(c) Shares issued to satisfy conversion or option rights previously granted by the corporation; or

(d) Treasury shares; or

(e) Shares or securities which are part of the shares or securities of the corporation authorized in the first filed articles of incorporation and are issued, sold or optioned within two years from the date of filing such articles of incorporation.

3. *Notice to shareholders of right*. The holders of shares entitled to the preemptive right shall be given prompt notice setting forth the period within which and the terms and conditions upon which such shareholders may exercise their preemptive right. Such notice shall be given

personally or by mail at least fifteen (15) days prior to the expiration of the period during which the right may be exercised.

4. Except as otherwise provided in Section 7.15.1, no shareholder shall have any preemptive right to purchase shares or any other securities to be issued or subjected to rights or options to purchase unless, and except to the extent that, such right is expressly granted to such shareholder in the articles of incorporation. Nothing in Section 7.15 shall prevent a corporation from granting preemptive rights contractually.

Prior legislation: 1956 Code 4:17; Lib. Corp. L., §17.

§7.16. Shareholders' derivative actions.

1. *Right to bring action*. An action may be brought by a holder of shares or of voting trust certificates of the corporation or of a beneficial interest in such shares or certificates in any Liberian court of competent jurisdiction or in any other jurisdiction as permitted by the laws of such jurisdiction in the right of a domestic or authorized foreign corporation to procure a judgment in its favor.

2. *Ownership requirement*. In any such action, it shall be made to appear that the plaintiff is such a holder at the time of bringing the action and that he was such a holder at the time of the transaction of which he complains, or that his shares or his interest therein devolved upon him by operation of law.

3. *Effort by plaintiff to secure action by board*. In any such action, the complaint shall set forth with particularity the efforts of the plaintiff to secure the initiation of such action by the board or the reasons for not making such effort.

4. *Settlement of action*. Such action shall not be discontinued, compromised or settled, without the approval of the court having jurisdiction of the action. If the court shall determine that the interests of the shareholders or any class thereof will be substantially affected by such discontinuance, compromise, or settlement, the court, in its discretion, may direct that notice, by publication or otherwise, shall be given to the shareholders or class thereof whose interests it determines will be so affected; if notice is so directed to be given, the court may determine which

one or more of the parties to the action shall bear the expense of giving such notice, in such amount as the court shall determine and find to be reasonable in the circumstances, and the amount of such expense shall be awarded as special costs of the action and recoverable in the same manner as statutory taxable costs.

5. *Disposition of proceeds*. If the action on behalf of the corporation was successful, in whole or in part, or if anything was received by the plaintiff or a claimant as the result of a judgment, compromise or settlement of an action or claim, the court may award the plaintiff or claimant reasonable expenses, including reasonable attorney's fees, and shall direct him to account to the corporation for the remainder of the proceeds so received by him.

6. *Security for expenses*. In any action authorized by Section 7.16, if the plaintiff holds less than five percent (5%) of any class of the outstanding shares or holds voting trust certificates or beneficial interest in shares representing less than five percent (5%) of any class of such shares, then unless the shares, voting trust certificates or beneficial interest of such plaintiff has a fair value in excess of Fifty Thousand United States Dollars (US$50,000.00), the corporation in whose right such action is brought shall be entitled at any stage of the proceedings before final judgment to require the plaintiff to give security for the reasonable expenses, including attorney's fees, which may be incurred by it in connection with such an action, in such amount as the court having jurisdiction of such action shall determine upon the termination of such action. The amount of such security may thereafter from time to time be increased or decreased in the discretion of the court having jurisdiction of such action upon showing that the security provided has or may become inadequate or excessive.

CHAPTER 8.

CORPORATE RECORDS AND REPORTS

§8.1. Requirement for keeping accounting records, minutes and records of shareholders.
§8.2. Shareholders' right to inspect books and records.
§8.3. Directors' right of inspection.
§8.4. Enforcement of right of inspection.
§8.5. Annual report.
§8.6. Information regarding shares in bearer form.

§8.1. Requirement for keeping accounting records, minutes and records of shareholders.

1. *Accounting records*. Every domestic corporation and foreign corporation authorized to do business in Liberia shall keep reliable and complete books and records which shall be sufficient to correctly explain all transactions, and enable the financial position of the corporation to be determined with reasonable accuracy at any time. Each domestic and foreign corporation authorized to do business in Liberia shall keep underlying documentation for accounting records maintained pursuant to Section 8.1, such as, but not limited to, invoices and contracts, which shall reflect all sums of money received and expended and the matters in respect of which the receipt and expenditure takes place; all sales, purchases, and other transactions; and the assets and liabilities of the corporation. A resident domestic corporation shall keep all accounting records and underlying documentation as described in Section 8.1.1 in the Republic of Liberia.

2. *Applicability of accounting records and ownership information*. The requirements regarding complete and accurate accounting records and information on ownership of shares or interest in corporations stated herein shall be applicable to all legal entities formed under the laws of Liberia or authorized to do business in Liberia, which shall include corporations, limited liability companies, general partnerships, limited partnerships, trusts, foundations and other legal entities of whatever form or nature. With respect to the beneficial ownership information required to be kept pursuant to Section 8.1.4, owners, beneficial owners, trustees, nominees, and any other legal representatives, legal and natural, holding in their names the shares or interest of the beneficial owners shall provide all the information required to be kept pursuant to Section 8.1.4 regarding beneficial ownership of shares with respect to which he/she/it acts as nominee or shareholder of record.

3. *Minutes*. Every domestic corporation and foreign corporation authorized to do business in Liberia shall keep minutes of all meetings of shareholders, of actions taken on consent by its shareholders, of all meetings of the board of directors, of actions taken on consent by its directors and of meetings of the executive committee, if any. Resident domestic corporations shall keep such minutes in the Republic of Liberia.

4. *Records of shareholders*. Every domestic corporation and foreign corporation authorized to do business in Liberia shall keep up-to-date records containing the names and addresses of all registered shareholders and, except with respect to public companies, beneficial owners of the corporation, the respective number and class of shares held by each and the dates of ownership thereof. In addition, any such corporation which issues bearer shares subject to the provisions of Section 5.8 shall maintain a record of all certificates issued in bearer form, including the number, class and dates of issuance of such certificates. A resident domestic corporation shall keep the records required to be maintained by Section 8.1.4 in the Republic of Liberia.

5. *Forms of records*. Any records maintained by a domestic corporation and foreign corporation authorized to do business in Liberia in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs or any other information storage device, provided that the records so kept can be converted into clearly legible written form within seven working days upon instruction of the appropriate authority of the Government of Liberia or upon the request of any person entitled to inspect the same. When records are kept in such manner, a clearly legible written form produced from the cards, tapes, photographs, microphotographs, or other information storage device shall be admissible in evidence, and accepted for all other purposes, to the same extent as an original written record of the same information would have been, provided the written form accurately portrays the record.

6. *Retention Period*. All records required to be kept, retained, or maintained under Section 8.1 shall be kept, retained, or maintained for a minimum of five (5) years.

7. *Failure to maintain records*. All legal entities formed under the laws of Liberia or authorized to do business in Liberia wilfully or recklessly failing or refusing to keep, retain, or maintain records as required under this Chapter shall be liable to a fine not less than Three

Thousand United States Dollars (US$3,000.00) but not exceeding Five Thousand United States Dollars (US$5,000.00), or subject to withdrawal of the legal status of good standing, revocation of formation documents/license to operate, certificate to do business, or dissolution, or any combination of the penalties prescribed herein as the Registrar shall deem appropriate or commensurate to the gravity of the violation.

8. *Right to Inspection*. The Registrar or the Deputy Registrar may request from any domestic corporation any records of shareholders, ownership information and books of account as the Registrar shall deem necessary to ensure that the corporation is in compliance with applicable law. Any failure to respond to an official request by the Registrar or the Deputy Registrar for records of shareholders, ownership information or books of account on or before the stated due date shall subject the corporation to a fine of not less than One Thousand United States Dollars (US$1,000.00) and render the corporation not in good standing, and Sections 1.7.3 and 1.7.4 shall apply, until the Registrar or the Deputy Registrar is satisfied that the corporation has complied with such enquiry. Notwithstanding the above, a continued failure to provide such records after sufficient notice from the Registrar or the Deputy Registrar to provide such records, shall, on the determination of the Registrar or the Deputy Registrar, be subject to dissolution.

9. All domestic and foreign trusts shall maintain accounting records in the same manner and with similar information that corporations maintain in accordance with Section 8.1.

Prior legislation: 1956 Code 4:45; Lib. Corp. L., 1948, §45; 1976 Liberian Codes of Laws Revised, Chapter 8, §8.1, amended effective June 19, 2002; amended effective May 6, 2016; amended effective April 23, 2018

§8.2. Shareholders' right to inspect books and records.

1. *Right stated*. Any shareholder, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours of business to inspect, for any proper purpose the corporation's share register, a list of its shareholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a shareholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which

authorizes the attorney or other agent to so act on behalf of the shareholder. The demand under oath shall be directed to the corporation at its principal place of business.

2. *Effect of refusal of right*. If the corporation, or an officer or agent thereof, refuses to permit an inspection sought by a shareholder or attorney or other agent acting for the shareholder pursuant to Section 8.2.1 or does not reply to the demand within five (5) business days after the demand has been made, the shareholder may apply to the court for an order to compel such inspection.

3. *Ground for refusal of right*. Any inspection authorized by Section 8.2.1 may be denied to a shareholder or other person who within five (5) years sold or offered for sale a list of shareholders of a corporation or aided or abetted any person in procuring for sale any such list of shareholders or who seeks such inspection for a purpose which is not in the interest of a business other than the business of the corporation or who refuses to furnish an affidavit attesting to his right to inspect under Section 8.2.3.

4. *Limitation of right forbidden*. The right of inspection stated by Section 8.2 may not be limited in the articles of incorporation or bylaws.

Prior legislation: 1976 Liberian Codes of Laws Revised, Chapter 8, §8.2, amended effective June 19, 2002

§8.3. Directors' right of inspection.

1. *Right stated*. Any director, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the corporation's share register, a list of its shareholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a director. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the director. The demand under oath shall be directed to the corporation at its principal place of business. In the case of authorized foreign

corporations this right extends only to such books, records, documents and properties of such corporation as are kept or located in the Republic of Liberia.

2. *Effect of refusal of right*. If the corporation, or an officer or agent thereof, refuses to permit an inspection sought by a director or attorney or other agent acting for the director pursuant to Section 8.3.1 or does not reply to the demand within five (5) business days after the demand has been made, the director may apply to the court for an order to compel such inspection.

3. *Limitation of right forbidden*. The right of inspection stated by this Section 8.3 shall not be limited in the articles of incorporation or bylaws.

Prior legislation: 1976 Liberian Codes of Laws Revised, Chapter 8, §8.3, amended effective June 19, 2002

§8.4. Enforcement of right of inspection.

1. *Application to court*. If the corporation, or an officer or agent thereof, refuses to permit an inspection sought by a shareholder or director or attorney or other agent acting for the shareholder or director pursuant Sections 8.2 or 8.3 or does not reply to the demand within five (5) business days after the demand has been made, the shareholder or director may apply to a court of competent jurisdiction for an order to compel such inspection. The court may order the corporation to permit the shareholder or director to inspect the corporation's share register, an existing list of shareholders, and its other books and records, and to make copies or extracts therefrom; or the court may order the corporation to furnish to the shareholder or director a list of its shareholders as of a specific date on condition that the shareholder or director first pay to the corporation the reasonable cost of obtaining and furnishing such list and on such other conditions as the court deems appropriate.

2. *Qualification to be established by shareholder or director*. Where the shareholder or director seeks to inspect the corporation's books and records, other than its share register or list of shareholders, such shareholder or director shall first establish:

(a) That such shareholder or director has complied with this Chapter respecting the form and manner of making demand for inspection of such documents; and

(b) That the inspection such shareholder or director seeks is for a proper purpose, and where the shareholder or director seeks to inspect the corporation's share register or list of shareholders and such shareholder or director has complied with this Chapter respecting the form and manner of making demand for inspection of such documents, the burden of proof shall be upon the corporation to establish that the inspection such shareholder or director seeks is for an improper purpose. The court may, in its discretion, prescribe any limitations or conditions with reference to the inspection, or award such other or further relief as the court may deem just and proper.

Prior legislation: 1976 Liberian Codes of Laws Revised, Chapter 8, §8.5, amended effective June 19, 2002

§8.5. Annual report.

Upon the written request of any person who shall have been a shareholder of record for at least six (6) months immediately preceding his request, or of any person holding, or thereunto authorized in writing by the holders of, at least five percent (5%) of any class of the outstanding shares, the corporation shall give or mail to such shareholder an annual balance sheet and profit and loss statement for the preceding fiscal year, and, if any interim balance sheet or profit and loss statement has been distributed to its shareholders or otherwise made available to the public, the most recent such interim balance sheet or profit and loss statement. The corporation shall be allowed a reasonable time to prepare such annual balance sheet and profit and loss statement.

§8.6. Information regarding shares in bearer form.

1. If any corporation has authorization to issue shares in bearer form or has shares issued and outstanding in bearer form on the first anniversary of its date of incorporation subsequent to December 31, 2018, such corporation shall submit to the Registrar, within thirty (30) days of such first anniversary and each anniversary of its date of incorporation thereafter, an affidavit confirming:

(i) the number of its shares issued and outstanding in bearer form on the relevant anniversary, and the number of shares evidenced by certificates

deposited with a Custodian pursuant to a Custodial Agreement in accordance with Section 5.15 and, in respect of each such certificate, the name of the Custodian; or

(ii) that no shares are issued and outstanding in bearer form.

2. Any corporation that fails to comply with Section 8.6 shall be liable to a fine not less than Three Thousand United States Dollars (US$3,000.00) but not exceeding Five Thousand United States Dollars (US$5,000.00), or be subject to revocation or cancellation of the corporation's articles of incorporation, certificate to do business, or dissolution, or any combination of the penalties herein prescribed.

Effective: April 23, 2018

CHAPTER 9.

AMENDMENTS OF ARTICLES OF INCORPORATION

§9.1. Right to amend articles of incorporation.
§9.2. Reduction of stated capital by amendment.
§9.3. Procedure for amendment.
§9.4. Class voting on amendments.
§9.5. Articles of amendment.
§9.6. Effectiveness of amendment.
§9.7. Right of dissenting shareholders to payment.
§9.8. Restated articles of incorporation.

§9.1. Right to amend articles of incorporation.

A corporation may amend its articles of incorporation from time to time in any and as many respects as may be desired, provided such amendment contains only such provisions as might lawfully be contained in the articles of incorporation filed at the time of making such amendment.

Prior legislation: 1956 Code 4:4 (1st par.); Lib. Corp. L., 1948, §4

§9.2. Reduction of stated capital by amendment.

Reduction of stated capital which is not authorized by action of the board may be effected by an amendment of the articles of incorporation, but no reduction of stated capital shall be made by amendment unless after such reduction the stated capital exceeds the aggregate preferential amount payable upon involuntary liquidation upon all issued shares having preferential rights in assets plus the par value of all other issued shares with par value.

Prior legislation: 1956 Code 4:19; Lib. Corp. L., 1948, §19.

§9.3. Procedure for amendment.

1. *General method of amending*. Amendment of the articles of incorporation may be authorized by vote of the holders of a majority of all outstanding shares entitled to vote thereon at a meeting of shareholders or by written consent of all shareholders entitled to vote thereon. The articles of incorporation may require that such amendment of the articles of incorporation

must also be approved by the board of directors prior to such authorization by vote or written consent of the shareholders.

2. *Certain amendments may be approved by board*. Notwithstanding Section 9.3.1, any one or more of the following amendments may be approved by the board without seeking authorization of the shareholders:

(a) To specify or change the location of the office or registered address of the corporation;

(b) To make, revoke or change the designation of a registered agent, or to specify or change the address of its registered agent.;

(c) To comply with the provisions of Section 5.12.5;

(d) In compliance with Section 5.1.5;

(e) To change its name; and

(f) Unless otherwise prohibited by its articles of incorporation, to delete (i) such provisions of the initial articles of incorporation that named the incorporator or incorporators, the initial board of directors and the initial subscribers for shares, or (ii) such provisions contained in any amendment to the articles of incorporation as were necessary to effect a change, exchange, reclassification, subdivision, combination or cancellation of stock, if such change, exchange, reclassification, subdivision, combination or cancellation has become effective. Notwithstanding the foregoing, a corporation formed on or prior to May 31, 2018 shall not amend its articles of incorporation to permit the issuance of bearer shares.

3. *Amendment by incorporators*. Before a corporation has received any payment for any of its shares, it may amend its articles of incorporation at any time or as many times, in any and as many respects as may be desired, subject to Section 9.1. The amendment of articles of incorporation authorized by this Section 9.3.3 shall be adopted by a majority of the incorporators, if directors were not named in the articles of incorporation or have not yet been elected, or, if directors were named in the articles of incorporation or have been elected and have

qualified, by a majority of the directors. A certificate setting forth the amendment and certifying that the corporation has not received any payment for any of its shares and that the amendment has been duly adopted in accordance with this Section 9.3.3 shall be executed, acknowledged and filed with the Registrar or the Deputy Registrar in accordance the Section 1.4 and for this purpose an incorporator shall be deemed to be an officer of the corporation. Upon such filing by the Registrar or the Deputy Registrar, the corporation's articles of incorporation shall be deemed to be amended accordingly as of the date on which the articles of incorporation became effective, except as to those persons who are substantially and adversely affected by the amendment and as to those persons the amendment shall be effective from the filing date.

4. *Amendment by subscribers*. The articles of incorporation may be amended by consent in writing of the holders of all outstanding subscription rights to shares of the corporation, provided that such holders verify that no shares have been issued.

5. *Other provisions for amendment unaffected*. Section 9.3 shall not alter the vote required under any other section for the adoption of an amendment referred to therein, nor alter the authority of the board to authorize amendments under any other section. No shareholder approval is necessary to file any statement in accordance with Section 5.1.5.

6. *Requirement in articles of incorporation in excess of statutory requirement*. Whenever the articles of incorporation shall require action by the board of directors, by the holders of any class or series of shares or by the holders of any other securities having voting power, the vote of a greater number or proportion than is required by any section of this Act, the provision of the articles of incorporation requiring such greater vote shall not be altered, amended or repealed except by such greater vote.

7. *Abandonment of proposed amendment*. The resolution authorizing a proposed amendment to the articles of incorporation may provide that at any time prior to the effectiveness of the filing of the amendment with the Registrar or the Deputy Registrar, notwithstanding authorization of the proposed amendment by the shareholders of the corporation, the board of directors may abandon such proposed amendment without further action by the shareholders.

Prior legislation: 1956 Code 4:4 (3rd par.); Lib. Corp. L., 1948, §4; 1976 Liberian Code of Laws Revised, Chapter 9, §9.3, amended effective June 19, 2002

§9.4. Class voting on amendments.

Notwithstanding any provisions in the articles of incorporation, the holders of the outstanding shares of a class shall be entitled to vote as a class upon a proposed amendment, and in addition to the authorization of an amendment by vote of the holders of a majority of all outstanding shares entitled to vote thereon, the amendment shall be authorized by vote of the holders of a majority of all outstanding shares of the class if the amendment would increase or decrease the aggregate number of authorized shares of such class, increase or decrease the par value of the shares of such class, or alter or change the powers, preferences or special rights of the shares of such class so as to affect them adversely. If any proposed amendment would alter or change the powers, preferences, or special rights of one or more series of any class so as to affect them adversely, but shall not so affect the entire class, then only the shares of the series so affected by the amendment shall be considered a separate class for the purposes of Section 9.4.

Prior legislation: 1956 Code 4:4 (2nd par.) (c); Lib. Corp. L., 1948, §4 (3rd par.) (c).

§9.5. Articles of amendment.

The articles of amendment shall be executed for the corporation by any officer or other authorized signatory of the corporation, and where that officer or other authorized signatory is not a natural person, the instruments shall be signed by the person or persons who are the authorized signatories of that legal entity, and acknowledged and filed in accordance with provisions of Section 1.4 and shall set forth:

(a) The name of the corporation;

(b) The date its articles of incorporation and any amendments thereof were filed;

(c) Each section affected thereby;

(d) If any such amendment provides for a change in or elimination of issued shares and, if the manner in which the same shall be effected is not set forth in the articles of amendment, then a statement of the manner in which the same shall be effected shall be included in or annexed to the articles of amendment or furnished without cost to any shareholder who requests a copy of such statement;

(e) If any amendment reduces stated capital, then a statement of the manner in which the same is effected and the amounts from which and to which stated capital is reduced;

(f) The manner in which the amendment of the articles of incorporation was authorized.

The articles of amendment shall be filed with the Registrar or the Deputy Registrar in accordance with the provisions of Section 1.4.

Prior legislation: 1956 Code 4:4 (par. 2); Lib. Corp. L., 1948, §4 (par. 2); 1976 Liberian Code of Laws Revised, Chapter 9, §9.5, amended effective June 19, 2002

§9.6. Effectiveness of amendment.

1. *Time when effective*. Upon filing of the articles of amendment with the Registrar or the Deputy Registrar, the amendment shall become effective as of the filing date stated thereon and the articles of incorporation shall be deemed to be amended accordingly.

2. *Limitations on effect of amendment*. No amendment shall affect any existing cause of action in favor of or against the corporation, or any pending suit to which it shall be a party, or the existing rights of persons other than shareholders; and in the event the corporation name shall be changed, no suit brought by or against the corporation under its former name shall abate for that reason.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 9, §9.6, amended effective June 19, 2002

§9.7. Right of dissenting shareholders to payment.

A holder of any adversely affected shares who does not vote in favor of or consent in writing to an amendment in the articles of incorporation shall, subject to and by complying with the provisions of Section 10.8, have the right to dissent and to receive payment for such shares, if the articles of amendment (a) alter or abolish any preferential right of any outstanding shares having preferences; or (b) create, alter, or abolish any provision or right in respect of the redemption of any outstanding shares; or (c) alter or abolish any preemptive right of such holder to acquire

shares or other securities; or (d) exclude or limit the right of such holder to vote on any matter, except as such right may be limited by the voting rights given to new shares then being authorized of any existing or new class.

§9.8. Restated articles of incorporation.

1. *Procedure for integrating document*. At any time after its articles of incorporation have been amended, a corporation may by action of its board, without necessity of vote of the shareholders, cause to be prepared a document entitled "Restated Articles," which will integrate into one document its articles of incorporation (or articles of consolidation) and all amendments thereto, including those affected by articles of merger.

2. *Required statement of no change*. The restated articles shall also set forth that this document purports merely to restate but not to change the provisions of the articles of incorporation as amended and that there is no discrepancy between the said provisions and the provisions of the restated articles.

3. *Execution and filing*. The restated articles shall be executed and filed as provided in Section 9.5.

4. *Effect of restated articles*. A copy of the restated articles filed with the Registrar or the Deputy Registrar as provided in Section 1.4 shall be presumed, until otherwise shown, to be the full and true articles of incorporation of the corporation as in effect on the date filed.

5. *Other method of integrating*. A corporation may also integrate its articles of incorporation and amendments thereto by the procedure provided in this Chapter for amending the articles of incorporation.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 9, §9.8, amended effective June 19, 2002

CHAPTER 10.

MERGER OR CONSOLIDATION

§10.1. Definitions.
§10.2. Merger or consolidation of domestic corporations.
§10.3. Merger of subsidiary corporations.
§10.4. Effect of merger or consolidation.
§10.5. Merger or consolidation of domestic and foreign corporations.
§10.5. A. Merger or consolidation of Liberian corporation, partnership and limited partnership.
§10.5. B. Merger or consolidation of Liberian corporation and limited liability company.
§10.5. C. Merger or consolidation of Liberian corporation and foundation.
§10.5. D. Merger or consolidation of Liberian corporation and other associations.
§10.6. Sale, lease, exchange or other disposition of assets.
§10.7. Right of dissenting shareholder to receive payment for shares.
§10.8. Procedure to enforce shareholder's right to receive payment for shares.
§10.9. Power of corporation to re-domicile into Liberia.
§10.10. Power of corporation to re-domicile out of Liberia.
§10.11. Reregistration of another legal entity as a corporation.
§10.12. De-registration and reregistration of corporation as another entity.

§10.1. Definitions.

Whenever used in this Chapter:

(a) "***Merger***" means a procedure whereby any two or more corporations or other legal entities merge into a single surviving corporation or legal entity, which is any one of the constituent corporations or legal entities;

(b) "***Consolidation***" means a procedure whereby any two or more corporations or other legal entities consolidate into a new resulting corporation or legal entity formed by the consolidation;

(c) "***Constituent corporation***" or "***constituent entity***" means an existing corporation or legal entity that is participating in the merger or consolidation with one or more other corporations or legal entities;

(d) "***Surviving corporation***" or "***surviving entity***" means the constituent corporation or legal entity into which one or more other constituent corporations or legal entities are merged.

(e) "***Consolidated corporation***" or "***consolidated entity***" means the new corporation or legal entity into which two or more constituent corporations or legal entities are consolidated.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 10, §10.1, amended effective June 19, 2002

§10.2. Merger or consolidation of domestic corporations.

1. *Power stated*. Two or more domestic corporations may merge or consolidate as provided in Section 10.2 and Section 10.3, and Section 10.4 shall apply.

2. *Plan of merger or consolidation*. The board of each domestic corporation proposing to participate in a merger or consolidation under Section 10.2 shall approve a plan of merger or consolidation setting forth:

(a) The name of each constituent corporation, and if the name of any of them has been changed, the name under which it was formed; and the name of the surviving corporation, or the name, or the method of determining it, of the consolidated corporation;

(b) As to each constituent corporation, the designation and number of outstanding shares of each class and series, specifying the classes and series entitled to vote and further specifying each class and series, if any, entitled to vote as a class;

(c) The terms and conditions of the proposed merger or consolidation, including the manner and basis of converting the shares of each constituent corporation into shares, bonds or other securities of the surviving or consolidated corporation, or the cash or other consideration to be paid or delivered in exchange for shares of each constituent corporation, or combination thereof;

(d) In case of merger, a statement of any amendment in the articles of incorporation of the surviving corporation to be effected by such merger; in case of consolidation, all statements required to be included in articles of incorporation

for a corporation formed under this Act, except statements as to facts not available at the time the plan of consolidation is approved by the board;

(e) Such other provisions with respect to the proposed merger or consolidation as the board considers necessary or desirable.

3. *Authorization by shareholders*. Subject to Sections 10.2.6, 10.2.14, and 10.3, the board of each constituent corporation, upon approving such plan of merger or consolidation, shall submit such plan to a vote of shareholders of each such corporation in accordance with the following:

(a) Notice of the meeting, accompanied by a copy of the plan of merger or consolidation, shall be given to each shareholder of record, whether or not entitled to vote.

(b) The plan of merger or consolidation shall be authorized at a meeting of shareholders or in accordance with Section 7.4 by vote of the holders of a majority of the outstanding shares entitled to vote thereon, unless any class of shares of any such corporation is entitled to vote thereon as a class, in which event, as to such corporation, the plan of merger or consolidation shall be approved upon receiving the affirmative vote of the holders of a majority of the shares of each class entitled to vote thereon as a class and of the total shares entitled to vote thereon. The shareholders of the outstanding shares of a class shall be entitled to vote as a class if: (i) such shares will remain outstanding after the merger or consolidation or will be converted into the right to receive shares of stock of the surviving or consolidated corporation or another corporation; and (ii) the articles of incorporation of the surviving or consolidated corporation or of such other corporation immediately after the effectiveness of the merger or consolidation would contain any provision which, is not contained in the articles of incorporation of the corporation and which, if contained in an amendment to the articles of incorporation, would entitle the holders of shares of such class or such one or more series to vote and to vote as a separate class thereon pursuant to Section 9.4. In such case, in addition to the authorization of the merger or consolidation by the requisite number of votes of all outstanding shares entitled to

vote thereon pursuant to the first sentence of Section 10.2.3(b), the merger or consolidation shall be authorized by a majority of the votes of all outstanding shares of the class entitled to vote as a separate class. If any provision referred to in Section 10.2.3(b) would affect the rights of the holders of shares of only one or more series of any class but not the entire class, then only the holders of those series whose rights would be affected shall together be considered a separate class for purposes of Section 10.2.3(b).

4. *Articles of merger or consolidation*. After approval of the plan of merger or consolidation by the board and, if required by Section 10.2, by the shareholders of each constituent corporation, the articles of merger or consolidation shall be executed by each corporation by any officer or other authorized signatory of each corporation, unless the same person is appointed to be an officer of each corporation, in which case by that one person, and where that officer or other authorized signatory is not a natural person, the instruments shall be signed by the person or persons who are the authorized signatories of that legal entity, and shall set forth:

(a) The plan of merger or consolidation, and, in case of consolidation, any statement required to be included in the articles of incorporation for a corporation formed under this Act but which was omitted under Section 10.2(d);

(b) The date when the articles of incorporation and each amendment of each constituent corporation were filed with the Registrar or the Deputy Registrar;

(c) The manner in which the merger or consolidation was authorized with respect to each constituent corporation.

5. *Filing of articles of merger or consolidation*. The surviving or consolidated corporation shall deliver the articles of merger or articles of consolidation to the Registrar or the Deputy Registrar and the articles shall be filed in accordance with Section 1.4.

6. *No authorization by shareholders required*. Notwithstanding the requirements of Section 10.2.3, unless required by the articles of incorporation, no vote of shareholders of a constituent corporation surviving a merger shall be necessary to authorize a merger or consolidation if:

(a) The plan of merger does not amend in any respect the articles of incorporation of such constituent corporation; and

(b) Each share of such constituent corporation outstanding immediately prior to the effective date of the merger is to be an identical outstanding or treasury share of the surviving corporation after the effective date of the merger; and

(c) Either no shares of the surviving corporation and no shares, securities or obligations convertible into such shares are to be issued or delivered under the plan of merger, or the authorized unissued shares or the treasury shares of the surviving corporation to be issued or delivered under the plan of merger plus those initially issuable upon conversion of any other shares, securities or obligations to be issued or delivered under such plan do not exceed twenty percent (20%) of the shares of such constituent corporation outstanding immediately prior to the effective date of the merger; or

(d) No shares of such corporation shall have been issued prior to the adoption by the board of directors of the resolution approving the plan of merger or consolidation.

7. *Filing of merger plan*. If a plan of merger is adopted by the constituent corporation surviving the merger, by action of its board of directors and without any vote of its shareholders pursuant to Section 10.2.6, any officer or other authorized signatory of that corporation shall state such on the plan that the plan has been adopted pursuant to that section and:

(a) If it has been adopted pursuant to Sections 10.2.6(a), (b) and (c), that the conditions therein specified have been satisfied; or

(b) If it has been adopted pursuant to Sections 10.2.6(d), that no shares of such corporation were issued prior to the adoption by the board of directors of the resolution approving the plan of merger or consolidation,

and the plan adopted in accordance with Section 10.2.6 and these provisions shall then be filed with the Registrar or the Deputy Registrar and shall become effective in accordance with Section

1.4, and such filing shall constitute a representation by the person who executes the plan that the facts stated therein remain true immediately prior to such filing.

8. *Certificate of merger or consolidation*. In lieu of filing the articles of merger or consolidation required by Sections 10.2.4 and 10.2.5, the surviving or consolidated corporation shall file with the Registrar or the Deputy Registrar a certificate of merger or consolidation, executed in accordance with Section 1.4, which states:

(a) The name and jurisdiction of incorporation of each of the constituent corporations;

(b) That a plan of merger or consolidation has been approved and executed by each of the constituent corporations in accordance with Section 10.2;

(c) The name of the surviving or consolidated corporation;

(d) In the case of a merger, such amendments or changes in the articles of incorporation of the surviving corporation as are desired to be effected by the merger, or, if no such amendments or changes are desired, a statement that the articles of incorporation of the surviving corporation shall be the articles of incorporation;

(e) In the case of a consolidation, that the articles of incorporation of the consolidated corporation shall be as set forth in an attachment to the certificate;

(f) That the executed plan of merger or consolidation is on file at an office of the surviving corporation; and

(g) That a copy of the plan of merger or consolidation will be furnished by the surviving corporation, on request and without cost, to any shareholder of any constituent corporation.

9. *Shareholders entitled to consider plan where directors' approval terminated*. The terms of a plan of merger or consolidation may require that the plan be submitted to the shareholders

whether or not the board of directors determines at any time subsequent to declaring approval that the plan is no longer advisable and recommends that the shareholders reject it.

10. *Plan may be conditional*. Any of the terms of the plan of merger or consolidation may be made dependent upon facts ascertainable outside of such plan, provided that the manner in which such facts shall operate upon the terms of the plan is clearly and expressly set forth in the plan of merger or consolidation. The term "facts", as used in the preceding sentence, includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation.

11. *Plan of merger or consolidation may be terminated*. Any plan of merger or consolidation may contain a provision that at any time prior to the time that the articles of merger or consolidation or the certificate of merger or consolidation filed with Registrar or the Deputy Registrar become effective in accordance with Section 1.4 the plan may be terminated by the board of directors of any constituent corporation notwithstanding approval of the plan by the shareholders of all or any of the constituent corporations, and in the event the plan of merger or consolidation is terminated after the filing of articles of merger or the certificate of merger or consolidation with the Registrar or the Deputy Registrar but before the plan has become effective, a certificate of termination of merger or consolidation shall be filed in accordance with Section 1.4.

12. *Plan of merger or consolidation may be amended*. Any plan of merger or consolidation may contain a provision that the boards of directors of the constituent corporations may amend the plan at any time prior to the time that the articles of merger or the certificate of merger or consolidation filed with the Registrar or the Deputy Registrar becomes effective in accordance with Section 1.4, provided that an amendment made subsequent to the adoption of the plan by the shareholders of any constituent corporation shall not alter or change:

(a) The amount or kind of shares, securities, cash, property and/or rights to be received in exchange for or on conversion of all or any of the shares of any class or series thereof of such constituent corporation;

(b) Any term of the articles of incorporation of the surviving corporation to be effected by the merger or consolidation; or

(c) Any of the terms and conditions of the plan if such alteration or change would adversely affect the holders of any class or series thereof of such constituent corporation,

and in the event the plan of merger or consolidation is amended after the filing of the articles of merger or the certificate of merger or consolidation with the Registrar or the Deputy Registrar but before the plan has become effective, a certificate of amendment of merger or consolidation shall be filed in accordance with Section 1.4.

13. *Liability of shareholder of former corporation*. The personal liability, if any, of any shareholder in a constituent corporation existing at the time of such merger or consolidation shall not thereby be extinguished, shall remain personal to such shareholder and shall not become the liability of any subsequent transferee of any share in such surviving or consolidated corporation or of any other shareholder of such surviving or consolidated corporation.

14. *No vote of shareholders of public company required*. Notwithstanding the requirements of Section 10.2.3, unless expressly required by its articles of incorporation, no vote of shareholders of a constituent corporation that is a public company immediately prior to the execution of the plan of merger by such constituent corporation shall be necessary to authorize a merger if:

(a) The plan of merger expressly (i) permits or requires such merger to be effected under Section 10.2.14 and (ii) provides that such merger shall be effected as soon as practicable following the consummation of the offer referred to in Section 10.2.14(b) if such merger is effected under Section 10.2.14;

(b) A corporation consummates an offer for all of the outstanding stock of such constituent corporation on the terms provided in such plan of merger that, absent Section 10.2.14, would be entitled to vote on the adoption or rejection of the plan of merger; provided, however, that such offer may be conditioned on the tender of a minimum number or percentage of shares of the stock of such constituent

corporation, or of any class or series thereof, and such offer may exclude any excluded stock and provided further that the corporation may consummate separate offers for separate classes or series of the stock of such constituent corporation;

(c) Immediately following the consummation of the offer referred to in Section 10.2.14(b), the stock irrevocably accepted for purchase or exchange pursuant to such offer and received by the depository prior to expiration of such offer, together with the stock otherwise owned by the consummating corporation or its affiliates and any rollover stock, equals at least such percentage of the stock of such constituent corporation, and of each class or series thereof, that, absent Section 10.2.14, would be required to adopt the plan of merger by this Chapter and by the articles of incorporation of such constituent corporation;

(d) The corporation consummating the offer referred to in Section 10.2.14 merges with or into such constituent corporation pursuant to such agreement; and

(e) Each outstanding share (other than shares of excluded stock) of each class or series of stock of such constituent corporation that is the subject of and is not irrevocably accepted for purchase or exchange in the offer referred to in Section 10.2.14(b) is to be converted in such merger into, or into the right to receive, the same amount and kind of cash, property, rights or securities to be paid for shares of such class or series of stock of such constituent corporation irrevocably accepted for purchase or exchange in such offer.

(f) As used in Section 10.2.14 only, the terms;

(i) "***consummates***" (and with correlative meaning, "***consummation***" and "***consummating***") means irrevocably accepts for purchase or exchange stock tendered pursuant to an offer;

(ii) "***depository***" means an agent, including a depository, appointed to facilitate consummation of the offer referred to in Section 10.2.14(b);

(iii) "***Excluded stock***" means (i) stock of such constituent corporation that is owned at the commencement of the offer referred to in Section 10.2.14(b) by such constituent corporation, the corporation making the offer referred to in Section 10.2.14(b), any person that owns, directly or indirectly, all of the outstanding stock of the corporation making such offer, or any direct or indirect wholly-owned subsidiary of any of the foregoing and (ii) rollover stock;

(iv) "***received***" (solely for purposes of Section 10.2.14(c)) means (a) with respect to certificated shares, physical receipt of a stock certificate accompanied by an executed letter of transmittal, (b) with respect to uncertificated shares held of record by a clearing corporation as nominee, transfer into the depository's account by means of an agent's message, and (c) with respect to uncertificated shares held of record by a person other than a clearing corporation as nominee, physical receipt of an executed letter of transmittal by the depository; provided, however, that shares shall cease to be "received" (i) with respect to certificated shares, if the certificate representing such shares was canceled prior to consummation of the offer referred to in Section 10.2.14(b), or (ii) with respect to uncertificated shares, to the extent such uncertificated shares have been reduced or eliminated due to any sale of such shares prior to consummation of the offer referred to in Section 10.2.14(b); and

(v) "***Rollover stock***" means any shares of stock of such constituent corporation that are the subject of a written agreement requiring such shares to be transferred, contributed or delivered to the consummating corporation or any of its affiliates in exchange for stock or other equity interests in such consummating corporation or an affiliate thereof; provided, however, that such shares of stock shall cease to be rollover stock for purposes of Section 10.2.14(c) if, immediately prior to the time the merger becomes effective under this Chapter, such shares have not

been transferred, contributed or delivered to the consummating corporation or any of its affiliates pursuant to such written agreement.

15. If a plan of merger is adopted without the vote of shareholders of a corporation pursuant to Section 10.2.14, the officer fulfilling the role of secretary of the surviving corporation shall certify on the agreement that the agreement has been adopted pursuant to Section 10.2.14 and that the conditions specified in Section 10.2.14 (other than the condition listed in Section 10.2.14(d)) have been satisfied; provided that such certification on the agreement shall not be required if a certificate of merger is filed in lieu of filing a plan of merger. The agreement so adopted and certified shall then be filed with the Registrar or the Deputy Registrar. Such filing shall constitute a representation by the person who executes the agreement that the facts stated in the certificate remain true immediately prior to such filing.

Prior legislation: 1956 Code 4:31, 32, 33; Lib. Corp. L., 1948 §§ 31, 32, 33; 1976 Liberian Code of Laws Revised, Chapter 10, §10.2, amended effective June 19, 2002

§10.3. Merger of subsidiary corporations.

1. *Without approval of shareholders' authorization*. Any domestic corporation owning at least ninety percent (90%) of the outstanding shares of each class of another domestic corporation or corporations may merge such other corporation or corporations into itself without the authorization of the shareholders of any such corporation. Its board shall approve a plan of merger, setting forth:

(a) The name of each subsidiary corporation to be merged and the name of the surviving corporation, and if the name of any of them has been changed, the name under which it was formed;

(b) The designation and number of outstanding shares of each class of each subsidiary corporation to be merged and the number of such shares of each class owned by the surviving corporation;

(c) The terms and conditions of the proposed merger, including the manner and basis of converting the shares of each subsidiary corporation to be merged not owned by the surviving corporation, into shares, bonds or other securities of the

surviving corporation, or the cash or other consideration to be paid or delivered in exchange for shares at each subsidiary corporation, or a combination thereof;

(d) Such other provisions with respect to the proposed merger as the board considers necessary or desirable.

2. *Plan of merger*. A copy of such plan of merger or an outline of the material features thereof shall be delivered, personally or by mail, to all shareholders of record of each subsidiary corporation to be merged not owned by the surviving corporation, unless the giving of such copy or outline has been waived by such shareholders.

3. *Filing of articles of merger*. The surviving corporation shall deliver the articles of merger to the Registrar or the Deputy Registrar to be filed in accordance with Section 1.4. The articles of merger shall set forth:

(a) The plan of merger;

(b) The date when the articles of incorporation of each constituent corporation were filed with the Registrar or the Deputy Registrar;

(c) If the surviving corporation does not own all the shares of each subsidiary corporation to be merged, either the date of the giving to shareholders of record of each such subsidiary corporation not owned by the surviving corporation of a copy of the plan of merger or an outline of the material features thereof, or a statement that the giving of such copy or outline has been waived, if such is the case.

4. *Application of Section 10.2*. Section 10.2.8 and Sections 10.2.10 through 10.2.13 shall apply to a merger under Section 10.3.

Prior legislation: 1956 Code 4:34; Lib. Corp. L., 1948, §34; 1976 Liberian Code of Laws Revised, Chapter 10, §10.3, amended effective June 19, 2002

§10.4. Effect of merger or consolidation.

1. *When effective*. Upon the filing of the articles of merger or consolidation or the certificate of merger or consolidation with the Registrar or the Deputy Registrar or on such date subsequent thereto, not to exceed ninety (90) days, as shall be set forth in such articles of merger or consolidation, the merger or consolidation shall be effective.

2. *Effects stated*. When such merger or consolidation has been effected:

(a) The separate existence of all constituent corporations, or of all the constituent corporations except the one into which the other or others of such constituent corporations have been merged, as the case may be, shall cease and the constituent corporations shall become a new corporation or be merged into one of such corporations;

(b) The surviving or consolidated corporation shall thereafter, consistent with its articles of incorporation as altered or established by the merger or consolidation, possess all the rights, privileges, immunities, powers and purposes of each of the constituent corporations;

(c) All the property, real and personal, including subscriptions to shares, causes of action and every other asset of each of the constituent corporations, shall vest in such surviving or consolidated corporation without further act or deed;

(d) The surviving or consolidated corporation shall assume and be liable for all the liabilities, obligations and penalties of each of the constituent corporations. No liability or obligation due or to become due, claim or demand for any cause existing against any such corporation, or any shareholder, officer or director thereof, shall be released or impaired by such merger or consolidation. No action or proceeding, whether civil or criminal, then pending by or against any such constituent corporation, or any shareholder, officer or director thereof, shall abate or be discontinued by such merger or consolidation, but may be enforced, prosecuted, settled or compromised as if such merger or consolidation had not

occurred, or such surviving or consolidated corporation may be substituted in such action or special proceeding in place of any constituent corporation;

(e) In the case of a merger, the articles of incorporation of the surviving corporation shall be automatically amended to the extent, if any, that changes in its articles of incorporation are set forth in the plan of merger; and, in the case of a consolidation, the statements set forth in the articles of consolidation and which are required or permitted to be set forth in the articles of incorporation of a corporation formed under this Act, shall be its articles of incorporation;

(f) The constituent corporation which is not the surviving corporation or the consolidated corporation shall not be required to wind up its affairs or pay its liabilities and distribute its assets.

Prior legislation: 1956 Code 4:32, 36; Lib. Corp. L., 1948, §§32, 36; 1976 Liberian Code of Laws Revised, Chapter 10, §10.4, amended effective June 19, 2002

§10.5. Merger or consolidation of domestic and foreign corporations.

1. *Method*. One or more foreign corporations and one or more domestic corporations may be merged or consolidated with each other in the following manner, if such merger or consolidation is permitted by the laws of the jurisdiction under which each such foreign corporation is organized:

(a) Each domestic corporation shall comply with the provisions of this Act with respect to the merger or consolidation, as the case may be, of domestic corporations and each foreign corporation shall comply with the applicable provisions of the laws of the jurisdiction under which it is organized;

(b) If the surviving or consolidated corporation is to be governed by the laws of any jurisdiction other than Liberia, it shall comply with the provisions of this Act with respect to foreign corporations if it is to transact business in Liberia, and in every case it shall file with the Registrar or the Deputy Registrar:

(i) An irrevocable notice of consent that it may be served with process in Liberia in any proceeding for the enforcement of any obligation of any domestic corporation which is a party to such merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such domestic corporation against the surviving or consolidated corporation;

(ii) An irrevocable appointment of the Minister of Foreign Affairs as its agent to accept service of process in any such proceeding;

(iii) An undertaking that it will promptly pay to the dissenting shareholders of any such domestic corporation the amount, if any, to which they shall be entitled under the provisions of this Act with respect to the rights of dissenting shareholders; and

(iv) Notice executed in accordance with Section 1.4 by any officer or any authorized signatory of the surviving or consolidated corporation that the merger or consolidation is effective in the other jurisdiction and specifying the competent authority in that jurisdiction.

2. *Effect*. The effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations if the surviving or consolidated corporation is to be governed by the laws of Liberia. If the surviving or consolidated corporation is to be governed by the laws of any jurisdiction other than Liberia, the effect of such merger or consolidation shall be the same as in the case of merger or consolidation of domestic corporations except insofar as the laws of such other jurisdiction provide otherwise.

3. *Effective date*. The effective date of a merger or consolidation in cases where the surviving or consolidated corporation is to be governed by the laws of any jurisdiction other than Liberia shall be determined by the filing requirements and laws of such other jurisdiction.

4. *Merger of subsidiary corporation*. The procedure for the merger of a subsidiary corporation or corporations under Section 10.3 shall be available where either a subsidiary corporation or the corporation owning at least ninety percent (90%) of the outstanding shares of

each class of a subsidiary is a foreign corporation, and such merger is permitted by the laws of the jurisdiction under which such foreign corporation is incorporated.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 10, §10.5, amended effective June 19, 2002

§10.5. A. Merger or consolidation of Liberian corporation, partnership and limited partnership.

1. *Power to merge or consolidate*. One or more Liberian corporations may merge or consolidate with one or more partnerships or limited partnerships, formed under this Act, or in another jurisdiction, unless the laws of such other jurisdiction forbid such merger or consolidation. Such one or more Liberian corporations and such one or more constituent partnerships or limited partnerships may merge with or into a corporation, which may be any one of such corporations, or they may merge with or into a partnership or limited partnership, which may be any one of such partnerships or limited partnerships, or they may consolidate into a new corporation or a partnership or limited partnership formed by the consolidation, which shall be a Liberian corporation or a partnership or limited partnership formed under this Act or a partnership or limited partnership formed under the laws of another jurisdiction which permits such merger or consolidation, pursuant to a plan of merger or consolidation, as the case may be, complying and approved in accordance with Section 10.5A.

2. *Method in respect of constituent corporations*. In the case of a constituent Liberian corporation, the provisions of Sections 10.2.2 to 10.2.5 and 10.2.8 to 10.2.12 shall apply, and the provisions of Sections 10.2.5 and 10.2.8 to 10.2.12 shall apply to a surviving or consolidated corporation whether or not Liberian, with the variation that the plan of merger or consolidation of each constituent Liberian corporation shall state:

(a) The manner of converting the shares of the constituent corporation and the partnership interests of the constituent partnership or limited partnership into shares and other securities of the surviving or consolidated corporation, or partnership interests of the surviving or consolidated partnership or limited partnership, as the case may be; and

(b) If any shares of any constituent corporation or any partnership interests of any constituent partnership or limited partnership are not to be converted solely into shares or other securities of the surviving or consolidated corporation, or partnership interests of the surviving or consolidated partnership or limited partnership, the cash or other consideration to be paid or delivered, in the case of a constituent corporation, in exchange for shares of that constituent corporation, and, in the case of a constituent partnership or limited partnership, in exchange for partnership interests.

3. *Additional matters in respect of surviving or consolidated foreign partnerships or limited partnerships*. The plan of merger or consolidation shall set forth such other matters or provisions as shall then be required to be set forth in partnership or limited partnership agreements by the laws of the jurisdiction which are stated in the plan to be the laws which shall govern a surviving or consolidated partnership or limited partnership and that can be stated in the case of a merger or consolidation.

4. *Method in respect of constituent partnerships or limited partnerships and surviving or consolidated partnerships or limited partnerships formed under this Act*. The plan of merger or consolidation required by Section 10.5A shall be approved, and executed by each constituent partnership formed under Chapter 30 or limited partnership formed under Chapter 31 in accordance with the partnership or limited partnership agreement and, in the case of a surviving or consolidated partnership or limited partnership formed under that Chapter, the requirements of that Chapter in respect of filing of a certificate shall be read to require the filing of a certificate in accordance with Chapter 30 in the case of a surviving partnership if so required by Chapter 30, or the filing of a certificate in accordance with Chapter 31, in the case of a surviving limited partnership, setting out the changes in the matters contained in the certificate as a result of the merger, and in the case of a consolidated partnership or limited partnership, filing as required by that section.

5. *Method to be followed by constituent or consolidated foreign partnerships or limited partnerships*. Each constituent or consolidated foreign partnership or limited partnerships shall comply with the applicable laws of the jurisdiction under which it is organized.

6. *Additional filing where surviving or consolidated partnership or limited partnership governed by laws of another jurisdiction*. If the surviving or consolidated partnership or limited partnership is to be governed by the laws of any jurisdiction other than Liberia, it shall comply with the provisions of this Act with respect to foreign entities if it is to transact business in Liberia, and in every case it shall file with the Registrar or the Deputy Registrar:

(a) An irrevocable notice of consent that it may be served with process in Liberia in any proceeding for the enforcement of any obligation of any Liberian corporation, partnership or limited partnership formed under this Act which is a party to such merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting shareholder or partner of any such Liberian corporation, partnership or limited partnership against the surviving or consolidated partnership or limited partnership;

(b) An irrevocable appointment of the Minister of Foreign Affairs as its agent to accept service of process in any such proceeding;

(c) An undertaking that it will promptly pay to the dissenting shareholder or partner of any such Liberian corporation, partnership or limited partnership formed under this Act the amount, if any, to which they shall be entitled under the provisions of this Act or the plan of merger; and

(d) Notice executed in accordance with Section 1.4 by any officer or other authorized signatory of the surviving or consolidated partnership or limited partnership that the merger or consolidation is effective in the other jurisdiction and specifying the competent authority in that jurisdiction.

7. *Effect*. The effect of a merger or consolidation under Section 10.5A and having one or more foreign constituent entities shall be the same as in the case of the merger or consolidation of Liberian corporations with partnerships or limited partnerships formed under this Act if the surviving or consolidated corporation, partnership or limited partnership is to be governed by the laws of Liberia. If the surviving or consolidated partnership or limited partnership is to be governed by the laws of any jurisdiction other than Liberia, the effect of such merger or

consolidation shall be the same as in the case of merger or consolidation of Liberian corporations with partnerships or limited partnerships formed under this Act except insofar as the laws of such other jurisdiction provide otherwise.

8. *Effective date*. The effective date of a merger or consolidation in cases where the surviving or consolidated partnership or limited partnership is to be governed by the laws of any jurisdiction other than Liberia shall be determined by the filing requirements and laws of such other jurisdiction.

9. *Application of Other Sections*. The provisions of Chapter 30 or Chapter 31 shall apply to a surviving or consolidated partnership or limited partnership, respectively.

10. *Liability of partner in former partnership or limited partnership*. The personal liability, if any, of any partner in a constituent partnership or limited partnership existing at the time of such merger or consolidation shall not thereby be extinguished, shall remain personal to such partner and shall not become the liability of any subsequent transferee of any share or partnership interest in such surviving or consolidated corporation, partnership or limited partnership or of any other shareholder or partner of such surviving or consolidated corporation, partnership or limited partnership as the case may be.

Effective: June 19, 2002

§10.5. B. Merger or consolidation of Liberian corporation and limited liability company.

1. *Power to merge or consolidate*. One or more Liberian corporations may merge or consolidate with one or more limited liability companies, formed under Chapter 14, or in another jurisdiction, unless the laws of such other jurisdiction forbid such merger or consolidation. Such one or more Liberian corporations and such one or more limited liability companies may merge with or into a corporation, which may be any one of such corporations, or they may merge with or into a limited liability company, which may be any one of such limited liability companies, or they may consolidate into a new corporation, or into a limited liability company, formed by the consolidation, which may be a Liberian corporation, or limited liability company formed under Chapter 14, or limited liability company formed in another jurisdiction which permits such

merger or consolidation, pursuant to a plan of merger or consolidation, as the case may be, complying and approved in accordance with this Section 10.5B.

2. *Method in respect of constituent corporations*. In the case of a constituent Liberian corporation, the provisions of Sections 10.2.2 to 10.2.5 and 10.2.8 to 10.2.12 shall apply, and provisions of Sections 10.2.5 and 10.2.8 to 10.2.12 shall apply to a surviving or consolidated corporation whether or not Liberian, with the variation that the plan of merger or consolidation of each constituent Liberian corporation shall state:

(a) The manner of converting the shares of the constituent corporation and the limited liability company interests of the constituent limited liability company into shares or other securities of the surviving or consolidated corporation, or limited liability company interests of the surviving or consolidated limited liability company, as the case may be; and

(b) If any shares of any constituent corporation or limited liability company interests of any constituent limited liability company are not to be converted solely into shares or other securities of the surviving or consolidated corporation or limited liability company interests of the surviving limited liability company, the cash or other consideration to be paid or delivered, in the case of a constituent corporation and, in the case of a constituent limited liability company, in exchange for limited liability company interests.

3. *Additional matters in respect of surviving or consolidated foreign limited liability companies*. The plan of merger or consolidation shall set forth such other matters or provisions as shall then be required to be set forth in limited liability company agreements by the laws of the jurisdiction which are stated in the plan to be the laws which shall govern a surviving or consolidated limited liability company and that can be stated in the case of a merger or consolidation.

4. *Method in respect of constituent limited liability companies and surviving or consolidated limited liability companies formed under Chapter 14*. The plan of merger or consolidation required by Section 10.5B shall be approved and executed by each constituent

limited liability company formed under Chapter 14 in accordance with the limited liability company agreement and, in the case of a surviving or consolidated limited liability company formed under that Chapter, the requirements of that Chapter in respect of filing of a certificate shall be read to require the filing of a certificate in accordance with Section 14.2.1, in the case of a surviving limited liability company setting out the changes in the matters contained in the certificate as a result of the merger, and in the case of a consolidated limited liability company, filing as required by that section.

5. *Method to be followed by constituent or consolidated foreign limited liability companies*. Each constituent or consolidated foreign limited liability company shall comply with the applicable laws of the jurisdiction under which it is organized.

6. *Additional filing where surviving or consolidated corporation or limited liability company governed by laws of another jurisdiction*. If the surviving or consolidated limited liability company is to be governed by the laws of any jurisdiction other than Liberia, it shall comply with the provisions of this Act with respect to foreign entities if it is to transact business in Liberia, and in every case it shall file with the Registrar or the Deputy Registrar:

(a) An irrevocable notice of consent that it may be served with process in Liberia in any proceeding for the enforcement of any obligation of any Liberian corporation or limited liability company formed under this Act which is a party to such merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such Liberian corporation or member or manager of any limited liability company against the surviving or consolidated limited liability company;

(b) An irrevocable appointment of the Minister of Foreign Affairs as its agent to accept service of process in any such proceeding;

(c) An undertaking that it will promptly pay to the dissenting shareholder of any such Liberian corporation or member or manager of any limited liability company formed under this Act the amount, if any, to which they shall be entitled under the provisions of this Act or the plan of merger; and

(d) Notice executed in accordance with Section 1.4 by any officer or other authorized signatory of the surviving or consolidated limited liability company that the merger or consolidation is effective in the other jurisdiction and specifying the competent authority in that jurisdiction.

7. *Effect*. The effect of a merger or consolidation under Section 10.5B and having one or more foreign constituent entities shall be the same as in the case of the merger or consolidation of Liberian corporations with limited liability companies formed under this Act if the surviving or consolidated corporation or the surviving or consolidated limited liability company is to be governed by the laws of Liberia. If the surviving or consolidated limited liability company is to be governed by the laws of any jurisdiction other than Liberia, the effect of such merger or consolidation shall be the same as in the case of merger or consolidation of Liberian corporations with limited liability companies formed under this Act except insofar as the laws of such other jurisdiction provide otherwise.

8. *Effective date*. The effective date of a merger or consolidation in cases where the surviving or consolidated limited liability company is to be governed by the laws of any jurisdiction other than Liberia shall be determined by the filing requirements and laws of such other jurisdiction.

9. *Application of Chapter 14*. The provisions of Chapter 14 shall apply to a surviving or consolidated limited liability company.

10. *Liability of member or manager of former limited liability company*. The personal liability, if any, of any member or manager of a constituent limited liability company existing at the time of such merger or consolidation shall not thereby be extinguished, shall remain personal to such member or manager and shall not become the liability of any subsequent transferee of any share in such surviving or consolidated corporation or of any membership or managership of such surviving or consolidated limited liability company or of any other shareholder of such surviving or consolidated corporation or member or manager of such surviving or consolidated limited liability company, as the case may be.

Effective: June 19, 2002

§10.5. C. Merger or consolidation of Liberian corporation and foundation.

1. *Power to merge or consolidate*. One or more Liberian corporations may merge or consolidate with one or more private foundations registered under Chapter 60, or foundations established in another jurisdiction, unless the laws of such other jurisdiction forbid such merger or consolidation. Such one or more Liberian corporations and such one or more foundations may merge with or into a corporation, which may be any one of such corporations, or they may merge with or into a foundation, which may be any one of such foundations, or they may consolidate into a new corporation or foundation formed by the consolidation, which shall be a Liberian corporation or private foundation formed or registered under this Act or foundation formed under the laws of another jurisdiction which permits such merger or consolidation, pursuant to a plan of merger or consolidation, as the case may be, complying and approved in accordance with Section 10.5C.

2. *Method in respect of constituent corporations*. In the case of a constituent Liberian corporation, the provisions of Sections 10.2.2 to 10.2.5 and 10.2.8 to 10.2.12 shall apply, and the provisions of Sections 10.2.5 and 10.2.8 to 10.2.12 shall apply to a surviving or consolidated corporation whether or not Liberian, with the variation that the plan of merger or consolidation of each constituent Liberian corporation shall state:

(a) The manner of converting the shares of the constituent corporation and the assets of the constituent foundation into shares or other securities of the surviving or consolidated corporation, or assets of the surviving or consolidated foundation, as the case may be; and

(b) If any shares of any constituent corporation or assets of any constituent foundation are not to be converted solely into shares or other securities of the surviving or consolidated corporation or assets of the surviving or consolidated foundation, the cash or other consideration to be paid or delivered, in the case of a constituent corporation, in exchange for shares of that constituent corporation, and, in the case of a constituent foundation, in exchange for assets.

3. *Additional matters in respect of surviving or consolidated foreign foundations*. The plan of merger or consolidation shall set forth such other matters or provisions as shall then be required to be set forth in memorandum of endowment and management articles of foundations by the laws of the jurisdiction which are stated in the plan to be the laws which shall govern a surviving or consolidated foundation and that can be stated in the case of a merger or consolidation.

4. *Method in respect of constituent private foundations and surviving or consolidated foundations formed under this Act*. The plan of merger or consolidation required by Section 10.5C shall be approved and executed by each constituent private foundation registered under Chapter 60 in accordance with the memorandum of endowment of the foundation and, in the case of a surviving or consolidated private foundation formed under that Chapter, the requirements of that Chapter in respect of registration shall be read to require the registration of an amendment to the memorandum of endowment in accordance with Section 60.50, in the case of a surviving private foundation, setting out the changes in the matters contained in the memorandum as a result of the merger, and in the case of a consolidated private foundation, registration as required by that Chapter.

5. *Method to be followed by constituent and consolidated foreign foundations*. Each constituent or consolidated foreign foundation shall comply with the applicable laws of the jurisdiction under which it is organized.

6. *Additional filing where surviving or consolidated foundation governed by laws of another jurisdiction*. If the surviving or consolidated foundation is to be governed by the laws of any jurisdiction other than Liberia, it shall comply with the provisions of this Act with respect to foreign entities if it is to transact business in Liberia, and in every case it shall file with the Registrar or the Deputy Registrar:

(a) An irrevocable notice of consent that it may be served with process in Liberia in any proceeding for the enforcement of any obligation of any Liberian corporation or private foundation formed under this Act which is a party to such merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such Liberian corporation or donor, officer, member

of supervisory board, or beneficiary of any such private foundation against the surviving or consolidated foundation;

(b) An irrevocable appointment of the Minister of Foreign Affairs as its agent to accept service of process in any such proceeding;

(c) An undertaking that it will promptly pay to the dissenting shareholder of any such Liberian corporation or donor, officer, member of supervisory board, or beneficiary of any such private foundation formed under this Act the amount, if any, to which they shall be entitled under the provisions of this Act or the plan of merger; and

(d) Notice executed in accordance with Section 1.4 by any officer or other authorized signatory of the surviving or consolidated foundation that the merger or consolidation is effective in the other jurisdiction and specifying the competent authority in that jurisdiction.

7. *Effect*. The effect of a merger or consolidation under Section 10.5C and having one or more foreign constituent entities shall be the same as in the case of the merger or consolidation of Liberian corporations with private foundations registered under this Act if the surviving or consolidated corporation or private foundation is to be governed by the laws of Liberia. If the surviving or consolidated foundation is to be governed by the laws of any jurisdiction other than Liberia, the effect of such merger or consolidation shall be the same as in the case of merger or consolidation of Liberian corporations with private foundations formed under this Act except insofar as the laws of such other jurisdiction provide otherwise.

8. *Effective date*. The effective date of a merger or consolidation in cases where the surviving or consolidated foundation is to be governed by the laws of any jurisdiction other than Liberia shall be determined by the filing requirements and laws of such other jurisdiction.

9. *Application of Chapter 60*. The provisions of Chapter 60 shall apply to a surviving or consolidated private foundation formed under Chapter 60.

10. *Liability of officer of former private foundation*. The personal liability, if any, of any officer in a constituent private foundation existing at the time of such merger or consolidation shall not thereby be extinguished, shall remain personal to such officer and shall not become the liability of any subsequent transferee of any share or officership in such surviving or consolidated corporation or foundation or of any other shareholder or officer of such surviving or consolidated corporation or foundation, as the case may be.

Effective: June 19, 2002

§10.5. D. Merger or consolidation of Liberian corporation and other associations.

1. *Definitions*. In this Section 10.5.D only:

"***Association***" includes any association, partnership, trust or other entity having legal personality or registered as a legal entity under the laws of Liberia or elsewhere and whether formed by agreement or under statutory authority or otherwise, but does not include a corporation, by whatever name described, limited partnership, limited liability company, or foundation; and

"***Shareholder***" includes every member or partner of such an association or holder of a share or person having present or future direct financial or beneficial interest therein.

2. *Power to merge or consolidate*. One or more Liberian corporations may merge or consolidate with one or more associations, except an association formed under the laws of a jurisdiction which forbids such merger or consolidation. Such Liberian corporations and such one or more associations may merge into a single corporation or association, which may be any one of such corporations or associations, or may consolidate into a new corporation or association established in Liberia or elsewhere, pursuant to a plan of merger or consolidation, as the case may be, complying with and approved in accordance with Section 10.5D. The surviving or consolidated entity may be organized for profit or not organized for profit.

3. *Method in respect of constituent corporations*. In the case of a constituent Liberian corporation, the provisions of Sections 10.2.2 to 10.2.5 and 10.2.8 to 10.2.12 shall apply, and the provisions of Sections 10.2.5 and 10.2.8 to 10.2.12 shall apply to a surviving or consolidated

association whether or not Liberian, with the variation that the plan of merger or consolidation of each constituent Liberian corporation shall state:

(a) The manner of converting the shares of the constituent corporation and the shares, memberships or financial or beneficial interests in the constituent association into shares, or other securities of the surviving or consolidated corporation, or shares, memberships or financial or beneficial interests of the surviving or consolidated association, as the case may be; and

(b) If any shares of any constituent corporation or shares, memberships or financial or beneficial interests in any constituent association are not to be converted solely into shares or other securities of the surviving or consolidated corporation or shares, memberships or financial or beneficial interests in the surviving or consolidated association, the cash or other consideration to be paid or delivered, in the case of a constituent corporation, in exchange for shares of that constituent corporation, and, in the case of a constituent association, in exchange for shares, memberships or financial or beneficial interests in the association, as the case may be.

4. *Additional matters in respect of surviving or consolidated foreign associations*. The plan of merger or consolidation shall set forth such other matters or provisions as shall then be required to be set forth in instruments by which an association is organized in the laws of the jurisdiction which are stated in the plan to be the laws which shall govern a surviving or consolidated association and that can be stated in the case of a merger or consolidation.

5. *Method in respect of constituent associations and surviving or consolidated associations organized in Liberia*. The plan of merger or consolidation required by Section 10.5D shall be approved and executed by each constituent association organized or registered in Liberia and, in the case of a surviving or consolidated association organized or registered in Liberia filed by that association in accordance with the relevant statutory requirements.

6. *Method to be followed by constituent and surviving or consolidated foreign associations*. Each constituent and each surviving or consolidated foreign association shall comply with the applicable laws of the jurisdiction under which it is organized.

7. *Additional filing where surviving or consolidated association governed by laws of another jurisdiction*. If the surviving or consolidated association is to be governed by the laws of any jurisdiction other than Liberia, it shall comply with the provisions of this Act with respect to foreign entities if it is to transact business in Liberia, and in every case it shall file with the Registrar or the Deputy Registrar:

(a) An irrevocable notice of consent that it may be served with process in Liberia in any proceeding for the enforcement of any obligation of any Liberian corporation or association organized or registered in Liberia which is a party to such merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such Liberian corporation or shareholder of any association against the surviving or consolidated association;

(b) An irrevocable appointment of the Minister of Foreign Affairs as its agent to accept service of process in any such proceeding;

(c) An undertaking that it will promptly pay to the dissenting shareholder of any such Liberian corporation or shareholder of any such association organized or registered in Liberia the amount, if any, to which they shall be entitled under the provisions of this Act or the plan of merger; and

(d) Notice executed in accordance with Section 1.4 by any officer or other authorized signatory of the surviving or consolidated association that the merger or consolidation is effective in the other jurisdiction and specifying the competent authority in that jurisdiction.

8. *Effect*. The effect of a merger or consolidation under Section 10.5D and having one or more foreign constituent entities shall be the same as in the case of the merger or consolidation of Liberian corporations with associations organized or registered in Liberia if the surviving or consolidated corporation or association is to be governed by the laws of Liberia. If the surviving

or consolidated association is to be governed by the laws of any jurisdiction other than Liberia, the effect of such merger or consolidation shall be the same as in the case of merger or consolidation of Liberian corporations with associations organized or registered in Liberia except insofar as the laws of such other jurisdiction provide otherwise.

9. *Effective date*. The effective date of a merger or consolidation in cases where the surviving or consolidated association is to be governed by the laws of any jurisdiction other than Liberia shall be determined by the filing requirements and laws of such other jurisdiction.

10. *Liability of shareholder of former association*. The personal liability, if any, of any shareholder of a constituent association existing at the time of such merger or consolidation shall not thereby be extinguished, shall remain personal to such shareholder and shall not become the liability of any subsequent transferee of any share in such surviving or consolidated corporation or association or of any other shareholder of such surviving or consolidated corporation or association.

Effective: June 19, 2002

§10.6. Sale, lease, exchange or other disposition of assets.

1. *Method of authorizing*. A sale, lease, exchange or other disposition of all or substantially all the assets of a corporation, if not made in the usual or regular course of the business actually conducted by such corporation, shall be authorized only in accordance with the following procedure:

(a) The board shall approve the proposed sale, lease, exchange or other disposition and direct its submission to a vote of the shareholders.

(b) Notice of meeting shall be given to each shareholder of record, whether or not entitled to vote.

(c) At such meeting the shareholders may authorize such sale, lease, exchange or other disposition and may fix or may authorize the board to fix any or all terms and conditions thereof and the consideration to be received by the corporation therefor. Such authorization shall require the affirmative vote of the holders of a

majority of the shares of the corporation entitled to vote thereon (except in the case of a corporation incorporated, reregistered or re-domiciled prior to the effective date of 2020 Amendment Act, the vote shall be two-thirds of the shares of the corporation entitled to vote thereon), unless any class of shares is entitled to vote thereon as a class, in which event such authorization shall require the affirmative vote of the holders of a majority of the shares of each class of shares entitled to vote as a class thereon and of the total shares entitled to vote thereon.

2. *Mortgage or pledge of corporate property*. The board may authorize any mortgage or pledge of, or the creation of a security interest in, all or any part of the corporate property, or any interest therein, wherever situated. Unless the articles of incorporation provide otherwise, no vote or consent of shareholders shall be required to authorize such action by the board.

3. *Subsidiary*. For purposes of Section 10.6 only, the property and assets of the corporation include the property and assets of any subsidiary of the corporation. As used in Section 10.6.3 and Section 10.7.2, "subsidiary" means any entity wholly-owned and controlled, directly or indirectly, by the corporation and includes, without limitation, corporations, partnerships, limited partnerships, limited liability companies, trusts and other business entities. The provisions of Section 10.6 shall not apply, unless the articles of incorporation so provide, to the sale, lease, exchange or other disposition by the corporation to its subsidiary.

Prior legislation: 1956 Code 4:30; Lib. Corp. L., 1948, §30.

§10.7. Right of dissenting shareholder to receive payment for shares.

1. Any shareholder of a corporation shall have the right to dissent from any of the following corporate actions and receive payment of the fair value of his shares:

(a) Any plan of merger or consolidation to which the corporation is a party;

(b) Any sale, lease, exchange or other disposition of all or substantially all of the property and assets of the corporation not made in the usual and regular course of its business, including a sale in dissolution, but not including a sale pursuant to an order of a court having jurisdiction in the premises or a sale for cash on terms

its business, including a sale in dissolution, but not including a sale pursuant to an order of a court having jurisdiction in the premises or a sale for cash on terms requiring that all or substantially all the net proceeds of sale be distributed to the shareholders in accordance with their respective interests within one year after the date of sale; or

(c) Any re-domiciliation or de-registration and reregistration as another legal entity.

2. The provisions of Section 10.7 shall not apply to any corporation incorporated, reregistered or re-domiciled on or after the effective date of the 2020 Amendment Act and which is a public company with regard to its voting equity, at the record date fixed to determine the shareholders entitled to receive notice of a meeting of shareholders to act upon (1) a plan of merger or consolidation, (2) an agreement for the sale, lease, exchange or other disposition of all or substantially all of the property and assets of the corporation not made in the usual and regular course of its business or (3) any re-domiciliation or de-registration and reregistration as another legal entity. The provisions of Section 10.7 shall not apply, unless the articles of incorporation so provide, to the sale, lease, exchange or other disposition by the corporation to its subsidiary.

Prior legislation: 1956 Code 4:30; Lib. Corp. L., 1948, §§30, 32; 1976 Liberian Code of Laws Revised, Chapter 10, §10.7, amended effective June 19, 2002

§10.8. Procedure to enforce shareholder's right to receive payment for shares.

1. *Objection by shareholder to proposed corporate action*. A shareholder intending to enforce rights under Section 9.7 or 10.7 to receive payment for shares if the proposed corporate action referred to therein is taken shall file with the corporation, before the meeting of shareholders at which the action is submitted to a vote, or at such meeting but before the vote, written objection to the action. The objection shall include a statement that the shareholder intends to demand payment for the shares if the action is taken. Such objection is not required from any shareholder to whom the corporation did not give notice of such meeting in accordance with this Act or where the proposed action is authorized by written consent of the shareholders without a meeting.

2. *Notice by corporation to shareholders of authorized action*. Within twenty (20) days after the shareholders' authorization date, which term as used in Section 10.8 means the date on which the shareholders' vote authorizing such action was taken, or the date on which such consent without a meeting was obtained from the requisite shareholders, the corporation shall give written notice of such authorization or consent by registered mail, email, facsimile or other electronic transmission to each shareholder who filed written objection or from whom written objection was not required, excepting any who voted for or consented in writing to the proposed action.

3. *Notice by shareholder of election to dissent*. Within twenty (20) days after giving notice, any shareholder to whom the corporation was required to give such notice and who elects to dissent shall file with the corporation a written notice of such election, stating the name and residence address, the number and classes of shares as to which the shareholder dissents, and a demand for payment of the fair value of the shares.

4. *Dissent as to fewer than all shares*. A shareholder may not dissent as to fewer than all the shares of record held by him, and which he owns beneficially. A nominee or fiduciary may not dissent on behalf of any beneficial owner as to fewer than all the shares of such owner held of record by such nominee or fiduciary.

5. *Effect of filing notice of election to dissent*. Upon filing a notice of election to dissent, the shareholder shall cease to have any of the rights of a shareholder except the right to be paid the fair value of his shares.

6. *Offer by corporation or other surviving or consolidated entity, or by re-domiciled corporation or reregistered legal entity to dissenting shareholder to pay for shares*. Within seven (7) days after the expiration of the period within which shareholders may file their notices of election to dissent, or within seven (7) days after the proposed corporate action is consummated, whichever is later, the corporation or, in the case of a merger or consolidation, the surviving or consolidated corporation or other entity, or in the case of re-domiciliation, the re-domiciled corporation or in the case of de-registration the reregistered entity, shall make a written offer by registered mail to each shareholder who has filed such notice of election to pay for his shares at a specified price which the offering entity considers to be their fair value. If within thirty (30) days

after the making of such offer, the offering entity and any shareholder agree upon the price to be paid for his shares, payment therefor shall be made within thirty (30) days after the making of such offer upon the surrender of the certificates representing such shares.

7. *Procedure on failure of corporation or other entity to pay dissenting shareholder*. The following procedures shall apply if the corporation or other entity fails to make such offer within such period of seven (7) days, or if it makes the offer and any dissenting shareholder fails to agree with it within the period of thirty (30) days thereafter upon the price to be paid for shares owned by such shareholder:

(a) The corporation or other legal entity shall, within twenty (20) days after the expiration of whichever is applicable of the two periods last mentioned, institute a special proceeding in a Liberian court of competent jurisdiction or any other court of competent jurisdiction in which the corporation or other entity maintains offices to determine the rights of dissenting shareholders and to fix the fair value of their shares. If, in the case of merger, consolidation, re-domiciliation or reregistration the offering entity is a foreign entity without an office in Liberia, such proceeding shall be brought in the country where the office of the domestic corporation or other entity, whose shares are to be valued, was located or any other court of competent jurisdiction;

(b) If the corporation or other entity fails to institute such proceedings within such period of twenty (20) days, any dissenting shareholder may institute such proceeding for the same purpose not later than thirty (30) days after the expiration of such twenty (20) day period. If such proceeding is not instituted within such thirty (30) day period, all dissenter's rights shall be lost unless the relevant court, for good cause shown, shall otherwise direct;

(c) All dissenting shareholders, excepting those who, as provided in Section 10.8.6, have agreed with the corporation or other entity upon the price to be paid for their shares, shall be made parties to such proceeding, which shall have the effect of an action quasi in rem against their shares. The corporation or other entity shall serve

a copy of the petition in such proceeding upon each dissenting shareholder in the manner provided by law for the service of a summons;

(d) The court shall determine whether each dissenting shareholder, as to whom the corporation or other entity requests the court to make such a determination, is entitled to receive payment for his shares. If the corporation or other entity does not request any such determination or if the court finds that any dissenting shareholder is so entitled, it shall proceed to fix the value of the shares, which, for the purposes of Section 10.8, shall be the fair value as of the close of business on the day prior to the shareholder's authorization date, excluding any appreciation or depreciation directly or indirectly induced by such corporate action or its proposal. The court may, if it so elects, appoint an appraiser to receive evidence and recommend a decision on the question of fair value; and

(e) The final order in the proceeding shall be entered against the corporation or other entity in favor of each dissenting shareholder who is a party to the proceeding and is entitled thereto for the value of his shares so determined. Within sixty (60) days after the final determination of the proceeding, the corporation or other entity shall pay to each dissenting shareholder the amount found to be due him, upon surrender of the certificates representing his shares, unless such shares are uncertificated in which case such surrender shall not be required.

8. *Disposition of shares acquired by the corporation or other entity*. Shares acquired by the corporation or other entity upon the payment of the agreed value therefor or of the amount due under the final order, as provided in Section 10.8, shall become treasury shares or be cancelled except that, in the case of a merger, consolidation or reregistration, they may be held and disposed of as the plan of merger, consolidation or deregistration and reregistration may otherwise provide.

9. *Right to receive payment by dissenting shareholder as exclusive*. The enforcement by a shareholder of his right to receive payment for his shares in the manner provided herein shall exclude the enforcement by such shareholder of any right to which he might otherwise be entitled by virtue of share ownership, except that Section 10.8.9 shall not exclude the right of

such shareholder to bring or maintain an appropriate action to obtain relief on the ground that such corporate action will be or is illegal or fraudulent as to such shareholder.

Prior legislation: 1956 Code 4:41; Lib. Corp. L., 1948, §41; 1976 Liberian Code of Laws Revised, Chapter 10, §10.8, amended effective June 19, 2002

§10.9. Power of corporation to re-domicile into Liberia.

1. *Application of section*. This Section 10.9 shall apply to a corporation or other legal entity, referred to in Section 10.9 as a "***corporation***", which is established outside Liberia and re-domiciles into Liberia as a Liberian corporation.

2. *Eligibility to apply to establish domicile in Liberia as a Liberian corporation*. A corporation domiciled outside Liberia may, if not prohibited to do so by its constitutional documents, apply to establish domicile in Liberia as a Liberian corporation. The re-domiciliation shall be approved in the manner provided for in the constitutional documents governing the corporation seeking to establish domicile in Liberia and the conduct of its business and by applicable non-Liberian law, as appropriate, and articles of incorporation shall be approved by the same authorization required to approve the re-domiciliation.

3. *Filing requirements to establish domicile in Liberia as a Liberian corporation*. A corporation seeking to establish domicile in Liberia as a Liberian corporation shall file with the Registrar or the Deputy Registrar:

(a) A certificate of application setting out:

(i) The name of the corporation, and, if the name has been changed, the name with which the corporation was established, and the name, if different, under which re-domiciliation as a Liberian corporation is sought;

(ii) The date of establishment of the corporation, and if registered, the date of registration;

(iii) The jurisdiction of establishment of the corporation;

(iv) The date on which it is proposed to re-domicile as a Liberian corporation;

(v) That the re-domiciliation has been approved in accordance with the relevant law and the constitutional documents of the corporation;

(vi) Confirmation by any officer or other authorized signatory of the corporation that no proceedings for insolvency or dissolution have been commenced with respect to the corporation in the jurisdiction in which it is established; and

(vii) Such other provisions with respect to the proposed re-domiciliation as a Liberian corporation as the governing body of the corporation considers necessary or desirable;

(b) Where the corporation is registered in the jurisdiction in which it is established, a certificate of good standing in respect of the corporation issued by the competent authority in that jurisdiction or other evidence to the satisfaction of the Registrar or the Deputy Registrar that the corporation is in compliance with registration requirements of that jurisdiction; corporation is established, that reference shall, in respect of a corporation domiciled in a jurisdiction other than that in which it is established, be read to mean the jurisdiction of domicile.

(c) Any amendments to the constitutional documents of the corporation that are to take effect on the registration of the corporation as a Liberian corporation so that the constitutional documents accord with this Act;

(d) Articles of incorporation in accordance with Section 4.4 which are to be the articles of incorporation of the Liberian corporation;

(e) The name and address of the registered agent in Liberia and the agent's acceptance of the appointment; and

(f) Where in Section 10.9 there is reference to the jurisdiction in which the corporation is established, that reference shall, in respect of a corporation domiciled in a jurisdiction other than that in which it is established, be read to include a reference to the jurisdiction of domicile; and

(g) The provisions of Sections 1.4.1 to 1.4.6 and 1.4.8 shall apply, with the variation that execution shall be by any officer or other authorized signatory for this purpose.

4. *Name of corporation on re-domiciliation*. The provisions of Section 4.2 shall apply in respect of the name in which a corporation may apply to re-domicile as a Liberian corporation.

5. *Re-domiciliation into Liberia*. The Registrar or the Deputy Registrar shall, if he is satisfied that the requirements of this Act in respect of re-domiciliation as a Liberian corporation have been met, certify that the corporation has established domicile in Liberia and has existence as the Liberian corporation specified in the documents supplied in compliance with Section 10.9.3, in accordance with those documents on the date of the issue of the certificate, or, in the case of a certificate to which Section 10.9.6 applies, on the specified date.

6. *Deferred date of re-domiciliation*. Notwithstanding Section 1.4.7(c) or any other provisions of this Act, where, at the time of the making of an application under Section 10.9.3, the corporation applying for re-domiciliation as a Liberian corporation has specified a date (in this Section 10.9 referred to as "the specified date") no later than one (1) year after the date of the making of the application as the date of re-domiciliation, the certificate issued by the Registrar or the Deputy Registrar shall show the specified date as the date of re-domiciliation.

7. *Status of a certificate of re-domiciliation*. A certificate given by the Registrar or the Deputy Registrar in accordance with Section 10.9.5 in respect of any re-domiciled corporation shall be:

(a) Conclusive evidence that all the requirements of this Act in respect of that re-domiciliation, and matters precedent and incidental thereto, have been complied with and that the corporation is authorized to be so re-domiciled;

(b) Valid for a period of one (1) year from the date of the issue of the certificate or, in the case of a certificate to which Section 10.9.6 applies, from the specified date, unless endorsed in accordance with Section 10.9.9.

8. *Obligation to amend the constitutional documents of the corporation*. If, at the time of the issue by the Registrar or the Deputy Registrar of the certificate of re-domiciliation in accordance with Section 10.9.5, any provisions of the constitutional documents of the corporation do not, in any respect, accord with this Act:

(a) The constitutional documents of the corporation shall continue to govern the re-domiciled corporation until:

(i) The articles of incorporation complying with this Act are in effect; or

(ii) The expiration of a period of one (1) year immediately following the date of the issue of that certificate or, in the case of a certificate to which Section 10.9.6 applies, one (1) year immediately following the specified date; and

(b) Any provisions of the constitutional documents of the corporation that are in any respect in conflict with this Act cease to govern the re-domiciled corporation when the articles of incorporation in accordance with this Act are in effect.

9. *Endorsement of certificate*. Where:

(a) At the date of the issue of a certificate of re-domiciliation or at any time thereafter within a period of one (1) year immediately following the date of the issue of that certificate; or

(b) In the case of a certificate to which Section 10.9.6 applies, at the specified date or at any time thereafter within a period of one (1) year immediately following that date,

the Registrar or the Deputy Registrar is satisfied that:

(c) The re-domiciled corporation has ceased to be a corporation under the relevant provisions of the law in the jurisdiction in which it was established; and

(d) The articles of incorporation, if any, accord in all respects with this Act and the objects of the re-domiciled corporation,

he may, on the application of the re-domiciled corporation to which the certificate has been issued endorse that certificate to the effect that the re-domiciled corporation is from the date of the endorsement to be deemed to be re-domiciled and in existence in Liberia under this Act and that shall be the effective date of re-domiciliation and the provisions of Section 1.4.7 shall apply.

10. *Failure to complete re-domiciliation and registration*. If, by a date one (1) year immediately following the date of the issue of a certificate in accordance with Section 10.9.5 or, in the case of a certificate to which Section 10.9.6 applies, following the specified date, the re-domiciled corporation has not satisfied the Registrar or the Deputy Registrar that:

(a) It has ceased to be a corporation under the relevant provisions of the law in the jurisdiction in which it was established; and

(b) The articles of incorporation, if any, accord in all respects with this Act and the objects of the corporation as a Liberian corporation,

the Registrar or the Deputy Registrar shall revoke the certificate issued under Section 10.9.5; and

(c) That certificate and any re-domiciliation under Section 10.9 shall be of no further force or effect; and

(d) The Registrar or the Deputy Registrar shall strike the re-domiciled corporation from the register.

11. *Effect of re-domiciliation*. With effect from the date of the endorsement of a certificate of re-domiciliation:

(a) The Liberian corporation to which the certificate relates:

(i) Is a corporation re-domiciled and deemed to be incorporated in Liberia under this Act and having as its existence date the date on which it was established in another jurisdiction; and

(ii) Shall be a corporation incorporated in Liberia for the purpose of any other law;

(b) The articles of incorporation of the corporation as filed in accordance with Section 10.9.3(d) are the articles of incorporation of the Liberian corporation;

(c) The property of every description and the business of the corporation are vested in the Liberian corporation;

(d) The Liberian corporation is liable for all of the claims, debts, liabilities and obligations of the corporation;

(e) No conviction, judgment, ruling, order, debt, liability or obligation due or to become due and no cause existing against the corporation or against any officer or agent thereof is thereby released or impaired;

(f) No proceedings, whether civil or criminal, pending at the time of the endorsement by the Registrar or the Deputy Registrar of the certificate of re-domiciliation by or against the corporation or against any officer or agent thereof are thereby abated or discontinued, but the proceedings may be enforced, prosecuted, settled or compromised by or against the Liberian corporation or against the officer or agent thereof, as the case may be;

(g) Unless otherwise provided in a resolution approving the re-domiciliation in accordance with the relevant law and the constitutional documents of the corporation, the corporation re-domiciling as a Liberian corporation shall not be required to wind up its affairs or pay its liabilities and distribute its assets,

and the re-domiciliation shall constitute a continuation of the existence of the re-domiciling corporation as the Liberian corporation and shall not:

(i) Constitute a dissolution of the corporation;

(ii) Create a new legal entity; or

(iii) Prejudice or affect the continuity of the Liberian corporation as a re-domiciled corporation.

Effective: June 19, 2002.

§10.10. Power of corporation to re-domicile out of Liberia.

1. *Application of section*. This Section 10.10 shall apply to a corporation incorporated or deemed to be incorporated in Liberia which re-domiciles into another jurisdiction.

2. *Eligibility to apply to establish domicile in another jurisdiction; Vote*. A Liberian corporation may, if not prohibited to do so by its articles of incorporation, apply to establish domicile outside Liberia in another jurisdiction. Re-domiciliation of a Liberian corporation may be authorized by vote of the holders of a majority of all outstanding shares entitled to vote thereon at a meeting of shareholders or by written consent

3. *Application to establish domicile in another jurisdiction*. An application by a Liberian corporation to establish domicile outside Liberia in another jurisdiction and to cease to be a Liberian corporation shall be made to the Registrar or the Deputy Registrar in the form prescribed by him and shall be accompanied by the filing of:

(a) A certificate of application for re-domiciliation setting out:

(i) The name of the Liberian corporation, and, if the name has been changed, the name with which the Liberian corporation was established, and the name, if different, under which registration as a re-domiciled corporation is sought;

(ii) The date of existence of the Liberian corporation;

(iii) The jurisdiction to which the Liberian corporation proposes to re-domicile and the name and address of the competent authority in that jurisdiction;

(iv) The date on which the Liberian corporation proposes to re-domicile;

(v) The address for service of the corporation in the jurisdiction of re-domiciliation;

(vi) That the proposed re-domiciliation has been approved in accordance with Section 10.10.2 and the articles of incorporation of the Liberian corporation;

(vii) Confirmation by any officer or other authorized signatory of the Liberian corporation that at the date of re-domiciliation the Liberian corporation will have done everything required by this Act preparatory to re-domiciliation in another jurisdiction and that, on re-domiciliation in the other jurisdiction, the Liberian corporation will cease to be a corporation domiciled in Liberia;

(viii) Confirmation by an officer or other authorized signatory of the Liberian corporation that no proceedings for insolvency or dissolution have been commenced in Liberia with respect to the Liberian corporation; and

(ix) Such other provisions with respect to the proposed re-domiciliation as the shareholders consider necessary or desirable;

(b) A certificate of good standing in respect of the Liberian corporation issued by the Registrar or the Deputy Registrar;

(c) The address of the registered agent in Liberia which shall be retained during the period of one (1) year or such longer period until the Liberian corporation has been deemed to be a corporation domiciled in the other jurisdiction, and evidence of acceptance of the appointment by the registered agent; and

(d) Any amendments to the articles of incorporation that are to take effect on the registration of the re-domiciled corporation in the other jurisdiction,

and the provisions of Sections 1.4.1 to 1.4.6 and 1.4.8 shall apply.

4. *Consent to establish domicile in another jurisdiction*. The Registrar or the Deputy Registrar shall, if he is satisfied that the requirements of this Act in respect of re-domiciliation to another jurisdiction have been met:

(a) Certify that the Liberian corporation is permitted to establish domicile in the jurisdiction specified in the documents supplied in compliance with Section 10.10.3, in accordance with those documents, and that it may cease to be registered in Liberia on the date of the issue of the certificate, or, in the case of a certificate to which Section 10.10.5 applies, on the specified date;

(b) Enter in the index kept for this purpose in respect of a Liberian corporation to which a certificate has been issued under Section 10.10 the fact of the issue of the certificate,

and the provisions of Section 1.4.7 shall apply.

5. *Deferred date of re-domiciliation*. Notwithstanding Section 1.4.7(c) or any other provisions of this Act, where, at the time of making an application under Section 10.10.3, the Liberian corporation applying for re-domiciliation has specified a date (in Section 10.10 referred to as "the specified date") no later than one (1) year after the date of the making of the application as the date of re-domiciliation, the certificate issued by the Registrar or the Deputy Registrar shall show the specified date as the date of re-domiciliation.

6. *Status of a certificate of re-domiciliation*. A certificate given by the Registrar or the Deputy Registrar in accordance with Section 10.10.4(a) in respect of any Liberian corporation shall be:

(a) Conclusive evidence that all the requirements of this Act in respect of that re-domiciliation, and matters precedent and incidental thereto, have been complied with and that the corporation is authorized to be so re-domiciled; and

(b) Valid for a period of one (1) year from the date of the issue of the certificate or, in the case of a certificate to which Section 10.10.5 applies, from the specified date, unless endorsed in accordance with Section 10.10.7.

7. *Endorsement of certificate*. Where:

(a) At the date of the issue of a certificate of re-domiciliation or at any time thereafter within a period one (1) year immediately following the date of the issue of that certificate; or

(b) In the case of a certificate to which Section 10.10.5 applies, at the specified date or at any time thereafter within a period of one (1) year immediately following that date,

if the Registrar or the Deputy Registrar is satisfied, by the service on him of a certificate of continuation, or a similar instrument executed by the governing body of the re-domiciled corporation, that the corporation has become a corporation under the relevant provisions of the law in the jurisdiction specified in the certificate of re-domiciliation, he may endorse the certificate of re-domiciliation to the effect that the corporation is from the date of the endorsement to be deemed to be re-domiciled and no longer registered in Liberia under this Act and that shall be the effective date of re-domiciliation.

8. *Failure to complete re-domiciliation*. If, by a date one (1) year immediately following the date of the issue of a certificate in accordance with Section 10.10.4(a) or, in the case of a certificate to which Section 10.10.5 applies, following the specified date, the Liberian corporation has not satisfied the Registrar or the Deputy Registrar that it has become a corporation under the relevant provisions of the law in the jurisdiction to which it proposed to re-domicile, the Registrar or the Deputy Registrar shall revoke the certificate issued under Section 10.10.4(a), and:

(a) That certificate and any re-domiciliation under this Section 10.10 shall be of no further force or effect; and

(b) The Liberian corporation shall continue as a Liberian corporation in Liberia under the provisions of this Act.

9. *Effect of re-domiciliation*. With effect from the date of the endorsement of a certificate of re-domiciliation:

(a) The corporation to which the certificate relates shall cease to be:

(i) A Liberian corporation registered in Liberia under this Act; and

(ii) A Liberian corporation registered in Liberia for the purpose of any other law;

(b) The articles of incorporation of the re-domiciled corporation (or other constitutional documents of the corporation), as amended by the resolution or equivalent document establishing domicile in the other jurisdiction, are the articles of incorporation of the re-domiciled corporation;

(c) The property of every description and the business of the Liberian corporation are vested in the re-domiciled corporation;

(d) The re-domiciled corporation is liable for all of the claims, debts, liabilities and obligations of the Liberian corporation;

(e) No conviction, judgment, ruling, order, debt, liability or obligation due or to become due and no cause existing against the Liberian corporation or against any officer or agent thereof is thereby released or impaired;

(f) No proceedings whether civil or criminal pending at the time of the endorsement by the Registrar or the Deputy Registrar of the certificate of re-domiciliation by or against the Liberian corporation or against any officer or agent thereof are thereby abated or discontinued, but the proceedings may be enforced, prosecuted, settled or compromised by or against the re-domiciled corporation or against the officer or agent thereof, as the case may be;

(g) Unless otherwise provided in the resolution approving the re-domiciliation, the Liberian corporation re-domiciling as a re-domiciled corporation in another jurisdiction shall not be required to wind up its affairs or pay its liabilities and distribute its assets,

and the re-domiciliation shall constitute a continuation of the existence of the re-domiciling corporation and shall not:

(i) Constitute a dissolution of the Liberian corporation;

(ii) Create a new legal entity; or

(iii) Prejudice or affect the continuity of the re-domiciled corporation.

10. *Index of Liberian corporations re-domiciled to another jurisdiction.* The Registrar or the Deputy Registrar shall maintain an index of Liberian corporations in respect of which a certificate issued in accordance with Section 10.10.4(a) is in force and in that index shall record the name in which the corporation is re-domiciled in the other jurisdiction and the address for service of the corporation in that jurisdiction, and whether the corporation has ceased to be registered under this Act in accordance with Section 10.10.7.

Effective: June 19, 2002.

§10.11. Reregistration of another legal entity as a corporation.

1. *Power to reregister*. A limited liability company, a partnership, a limited partnership, a private foundation, or any other legal entity existing under the laws of Liberia, which is referred to as a "legal entity" in Section 10.11, may, if not prohibited to do so by its constitutional documents, apply to reregister as a corporation. The reregistration shall be approved in the manner provided for by the constitutional documents of the legal entity and the conduct of its business and by applicable Liberian law, as appropriate, and the articles of incorporation shall be approved by the same authorization required to approve the reregistration.

2. *Application to reregister as a corporation*. An application by a legal entity to reregister as a corporation shall be made to the Registrar or the Deputy Registrar in the form prescribed by him and shall be accompanied by:

(a) A certificate of reregistration setting out:

(i) The name of the legal entity, and, if the name has been changed, the name with which the legal entity was formed, and the name, if different, under which reregistration as a reregistered and continued corporation is sought;

(ii) The date of formation of the legal entity;

(iii) The relevant law of Liberia under which the legal entity has its existence;

(iv) The date on which the legal entity proposes to reregister;

(v) That the proposed reregistration has been approved in accordance with the relevant law of Liberia and the constitutional documents of the legal entity;

(vi) Confirmation that at the date of reregistration as a corporation the legal entity will have obtained all internal and other approvals required by the relevant legislation preparatory to de-registration and reregistration, and that the entity will cease to be a legal entity registered under that legislation; and

(vii) Any other provisions with respect to the proposed reregistration deemed necessary or desirable by governing body or governing persons of the legal entity that is proposing to reregister;

(b) A certificate of good standing in respect of the legal entity;

(c) Any amendments to the constitutional documents of the legal entity that are to take effect on the reregistration as a reregistered corporation;

(d) Articles of incorporation in accordance with Section 4.4 which are to be the articles of incorporation of the reregistered corporation;

(e) The name and address of the registered agent in Liberia and the agent's acceptance of the appointment,

and the provisions of Section 1.4 shall apply with the variation that execution shall be by any authorized person.

3. *Name of corporation on reregistration*. The provisions of Section 4.2 shall apply in respect of the name under which the legal entity may apply to reregister as a corporation.

4. *Reregistration and continuation as a corporation*. The Registrar or the Deputy Registrar shall, if he is satisfied that the requirements of this Act in respect of reregistration as a corporation have been met, register the legal entity as a corporation and certify that it is registered and continued as the corporation specified in the documents supplied in compliance with Section 10.11.2, in accordance with those documents, on the date of the issue of the certificate, or, in the case of a certificate to which Section 10.11.5 applies, on the specified date.

5. *Deferred date of reregistration*. Notwithstanding Section 1.4.7(c) or any other provisions of this Act, where, at the time of the making of an application under Section 10.11.2, the legal entity applying for reregistration as a corporation has specified a date (in Section 10.11 referred to as "the specified date") no later than one (1) year after the date of the making of the application as the date of reregistration, the certificate issued by the Registrar or the Deputy Registrar shall show the specified date as the date of reregistration.

6. *Status of a certificate of reregistration*. A certificate given by the Registrar or the Deputy Registrar in accordance with Section 10.11.4 in respect of any legal entity reregistered as a corporation shall be:

(a) Conclusive evidence that all the requirements of the Act in respect of that reregistration, and matters precedent and incidental thereto, have been complied with and that the legal entity is authorized to be so reregistered;

(b) Valid for a period of one (1) year from the date of the issue of the certificate or, in the case of a certificate to which Section 10.11.5 applies, from the specified date, unless endorsed in accordance with Section 10.11.8.

7. *Obligation to amend constitutional documents of the legal entity*. If, at the time of the issue by the Registrar or the Deputy Registrar of the certificate of reregistration in accordance

with Section 10.11.4, any provisions of the constitutional documents of the legal entity do not, in any respect, accord with this Act:

(a) The constitutional documents of the legal entity shall continue to govern the reregistered corporation until:

(i) Articles of incorporation complying with this Act are in effect; or

(ii) The expiration of a period of one (1) year immediately following the date of the issue of that certificate or, in the case of a certificate to which Section 10.11.5 applies, the specified date, one (1) year immediately following the specified date; and

(b) Any provisions of the constitutional documents of the legal entity that are in any respect in conflict with this Act cease to govern the corporation when the articles of incorporation in accordance with this Act are in effect.

8. *Endorsement of certificate*. Where:

(a) At the date of the issue of a certificate of reregistration or at any time thereafter within a period of one (1) year immediately following the date of the issue of that certificate; or

(b) In the case of a certificate to which Section 10.11.5 applies, at the specified date or at any time thereafter within a period of one (1) year immediately following that date,

the Registrar or the Deputy Registrar is satisfied that:

(c) The legal entity has ceased to be a legal entity under the relevant provisions of the law under which it was established; and

(d) The articles of incorporation accord in all respects with this Act and the objects of the corporation, he may, on the application of the corporation to which the certificate has been issued, endorse that certificate to the effect that the

corporation is from the date of the endorsement to be deemed to be reregistered under this Act and that shall be the effective date of reregistration and continuation and the provisions of Section 1.4.7 shall apply.

9. *Failure to complete reregistration*. If, by a date one (1) year immediately following the date of the issue of a certificate in accordance with Section 10.11.4 or, in the case of a certificate to which Section 10.11.5 applies, following the specified date, the legal entity has not satisfied the Registrar or the Deputy Registrar that:

(a) It has ceased to be a legal entity under the relevant provisions of the law under which it was established; and

(b) The articles of incorporation accord in all respects with this Act and the objects of the corporation, the Registrar or the Deputy Registrar shall revoke the certificate issued under Section 10.11.4; and

(c) That certificate and any reregistration under Section 10.11 shall be of no further force or effect; and

(d) The Registrar or the Deputy Registrar shall strike the corporation from the register.

10. *Effect of reregistration*. With effect from the date of the endorsement of a certificate of reregistration:

(a) The reregistered corporation to which the certificate relates:

(i) Is a corporation reregistered and continued and deemed to be registered under this Act and having as its existence date the date on which it was established under the other relevant law, or in another jurisdiction, as the case may be; and

(ii) Shall be a corporation registered in Liberia for the purpose of any other law;

(b) The articles of incorporation as filed in accordance with Section 10.11.2(d) are the articles of incorporation of the corporation;

(c) The property of every description and the business of the legal entity are vested in the corporation;

(d) The corporation is liable for all of the claims, debts, liabilities and obligations of the legal entity;

(e) No conviction, judgment, ruling, order, debt, liability or obligation due or to become due and no cause existing against the legal entity or against any officer or agent thereof is thereby released or impaired;

(f) No proceedings whether civil or criminal pending at the time of the endorsement by the Registrar or the Deputy Registrar of the certificate of reregistration by or against the legal entity or against any officer or agent thereof are thereby abated or discontinued, but the proceedings may be enforced, prosecuted, settled or compromised by or against the corporation or against the officer or agent thereof, as the case may be; and

(g) Unless otherwise provided in the resolution of reregistration and the constitutional documents of the legal entity, the legal entity reregistering as the corporation shall not be required to wind up its affairs or pay its liabilities and distribute its assets,

and the reregistration and continuation shall not:

(i) Constitute a dissolution of the legal entity and shall constitute a continuation of the existence of the reregistered legal entity as the corporation; or

(ii) Prejudice or affect the continuity of the legal entity as a corporation.

11. *Exchange or Conversion of Stock.* In connection with a reregistration hereunder, rights or securities of, or interests in, the other legal entity which is to be reregistered as a Liberian corporation may be exchanged for or converted into cash, property, or shares of stock, rights or

securities of such domestic corporation or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, or shares of stock, rights or securities of or interests in another domestic corporation or other entity or may be cancelled.

12. *Approval of reregistration*. The resolution approving the registration to a corporation may, among other things, approve a new name of the corporation; the method of converting the share capital of the corporation into securities of the reregistered corporation; the organizational documents of the reregistered corporation; and who will be the officers and directors of the reregistered corporation.

Effective: June 19, 2002.

§10.12. De-registration and reregistration of corporation as another entity.

1. *Eligibility to apply to de-register and reregister as another legal entity, Vote*. A corporation registered in Liberia may, if not prohibited to do so by its articles of incorporation, apply to de-register upon reregistration as another legal entity under the laws of Liberia. De-registration and reregistration of a Liberian corporation shall be authorized by vote of the holders of a majority of all outstanding shares entitled to vote thereon at a meeting of shareholders or by written consent in accordance with Section 7.4 of holders of a majority of all outstanding shares entitled to vote thereon.

2. *Application to de-register and reregister as another legal entity*. An application by a corporation to de-register and reregister as another legal entity in Liberia and to cease to be a corporation registered under this Act shall be made to the Registrar or the Deputy Registrar in the form prescribed by him and shall be accompanied by the filing of:

(a) A certificate of de-registration and reregistration setting out:

(i) The name of the corporation, and, if the name has been changed, the name with which the corporation was established, and the name, if different, under which registration as another legal entity is sought;

(ii) The date of registration of the corporation, and if established under any other law, the date of establishment;

(iii) The law under which the corporation proposes to reregister;

(iv) The date on which the corporation proposes to de-register and reregister;

(v) That the proposed de-registration and reregistration have been approved in accordance with the relevant law and the articles of incorporation of the corporation;

(vi) Confirmation by any officer or other authorized signatory of the corporation that at the date of de-registration and reregistration the corporation will have done everything required by this Act preparatory to de-registration and reregistration as another legal entity and that, on deregistration and reregistration, the corporation will cease to be a corporation;

(vii) Confirmation by an officer or other authorized signatory of the corporation that no proceedings for insolvency or dissolution have been commenced in Liberia with respect to the corporation; and

(viii) Such other provisions with respect to the proposed de-registration and reregistration as the shareholders consider necessary or desirable.

(b) A certificate of good standing in respect of the corporation issued by the Registrar or the Deputy Registrar; and

(c) Any amendments to the articles of incorporation that are to take effect on the deregistration of the corporation and reregistration as the other legal entity,

and the provisions of Section 1.4 shall apply.

3. *Consent to de-register and reregister as another legal entity*. The Registrar or the Deputy Registrar shall, if he is satisfied that the requirements of this Act in respect of deregistration of a corporation prior to reregistration as another legal entity have been met:

(a) Certify that the corporation is permitted to de-register and reregister as the other legal entity specified in the documents supplied in compliance with Section 10.12.2, in accordance with those documents, and that it may cease to be registered as a corporation on the date of the issue of the certificate, or, in the case of a certificate to which Section 10.12.4 applies, on the specified date;

(b) Enter in the index kept for this purpose in respect of a corporation to which a certificate has been issued under Section 10.12 the fact of the issue of the certificate.

4. *Deferred date of de-registration.* Notwithstanding Section 1.4.7(c), where, at the time of making an application under Section 10.12.2, the corporation applying for de-registration has specified a date, which is referred to as "the specified date" in Section 10.12, no later than one (1) year after the date of the making of the application as the date of de-registration, the certificate issued by the Registrar or the Deputy Registrar shall show the specified date as the date of de-registration.

5. *Status of a certificate of de-registration and reregistration*. A certificate given by the Registrar or the Deputy Registrar in accordance with Section 10.12.3(a) in respect of any de-registered corporation shall be:

(a) Conclusive evidence that all the requirements of this Act in respect of that deregistration, and matters precedent and incidental thereto, have been complied with and that the corporation is authorized to be so de-registered;

(b) Valid for a period of one (1) year from the date of the issue of the certificate or, in the case of a certificate to which Section 10.12.4 applies, from the specified date, unless endorsed in accordance with Section 10.12.6.

6. *Endorsement of certificate*. Where:

(a) At the date of the issue of a certificate of de-registration and reregistration or at any time thereafter within a period of one (1) year immediately following the date of the issue of that certificate; or

(b) In the case of a certificate to which Section 10.12.4 applies, at the specified date or at any time thereafter within a period of one (1) year immediately following that date,

and the Registrar or the Deputy Registrar is satisfied, by the service on him of a certificate of de-registration and reregistration, or a similar instrument executed by the governing body of the reregistered legal entity that the corporation has reregistered under the relevant provisions of the law specified in the certificate of de-registration and reregistration, he shall endorse the certificate of de-registration and reregistration to the effect that the corporation is from the date of the endorsement to be deemed to be de-registered and no longer registered and that shall be the effective date of de-registration.

7. *Failure to complete de-registration and reregistration*. If, by a date one (1) year immediately following the date of the issue of a certificate in accordance with Section 10.12.3(a) or, in the case of a certificate to which Section 10.12.4 applies, following the specified date, the corporation has not satisfied the Registrar or the Deputy Registrar that it has become the other legal entity under the relevant provisions of the law under which it proposed to reregister, the Registrar or the Deputy Registrar shall revoke the certificate issued under Section 10.12.3(a), and:

(a) That certificate and any de-registration under Section 10.12 shall be of no further force or effect; and

(b) The corporation shall continue as a corporation under the provisions of this Act.

8. *Effect of de-registration*. With effect from the date of the endorsement of a certificate of de-registration and reregistration:

(a) The corporation to which the certificate relates shall cease to be:

(i) A corporation registered under this Act; and

(ii) A corporation registered in Liberia for the purpose of any other law;

(b) The articles of incorporation, or other constitutional documents of the corporation, as amended by the resolution or equivalent document for the purpose of reregistration as another legal entity in Liberia, shall be the constitutional documents of the other legal entity;

(c) The property of every description and the business of the corporation are vested in the other legal entity;

(d) The other legal entity is liable for all of the claims, debts, liabilities and obligations of the corporation;

(e) No conviction, judgment, ruling, order, debt, liability or obligation due or to become due and no cause existing against the corporation or against any officer or agent thereof is thereby released or impaired;

(f) No proceedings whether civil or criminal pending at the time of the endorsement by the Registrar or the Deputy Registrar of the certificate of deregistration by or against the corporation or against any officer or agent thereof are thereby abated or discontinued, but the proceedings may be enforced, prosecuted, settled or compromised by or against the other legal entity or against the officer or agent thereof, as the case may be;

(g) Unless otherwise provided in the resolution approving the reregistration, the corporation reregistering as the other legal entity shall not be required to wind up its affairs or pay its liabilities and distribute its assets,

and the reregistration shall constitute a continuation of the existence of the de-registering corporation and shall not:

(h) Constitute a dissolution of the corporation;

(i) Create a new legal entity; or

(j) Prejudice or affect the continuity of the de-registering corporation as a legal entity.

9. *Index of corporations de-registered and reregistered as another legal entity*. The Registrar or the Deputy Registrar shall maintain an index of corporations in respect of which a certificate issued in accordance with Section 10.12.3(a) is in force and in that index shall record the name in which the corporation is reregistered as another legal entity and whether the corporation has ceased to be registered under this Act in accordance with Section 10.12.6.

10. *Exchange or Conversion of Stock*. In connection with a reregistration of a domestic corporation as another legal entity pursuant to Section 10.12, shares of stock of the Liberian corporation that is to be reregistered may be exchanged for or converted into cash, property, rights or securities of, or interests in, the legal entity to which the corporation is being reregistered or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, shares of stock, rights or securities of, or interests in, another domestic corporation or other entity or may be cancelled.

11. *Approval of de-registration and reregistration*. The resolution approving the deregistration and registration may, among other things, approve a new name of the corporation; the method of converting the share capital of the corporation into securities of the reregistered entity; the organizational documents of the reregistered entity; and who will be the person or persons sitting on the relevant governing body or acting as manager, limited partner, general partner or otherwise.

Effective: June 19, 2002

CHAPTER 11.

DISSOLUTION

§11.1. Manner of effecting dissolution.
§11.2. Judicial dissolution.
§11.3. Dissolution on failure to pay annual registration fee, appoint or maintain a registered agent, maintain adequate accounting records, or meet the custodial requirements of this Act.
§11.4. Winding up affairs of corporation after dissolution.
§11.5. Settlement of claims against the corporation.

§11.1. Manner of effecting dissolution.

1. *Meeting of shareholders*. Except as otherwise provided in its articles of incorporation, and except where this Chapter otherwise provides, a corporation may be dissolved if, at a meeting of shareholders, the holders of a majority of all outstanding shares entitled to vote on a proposal to dissolve, by resolution consent that the dissolution shall take place, except in the case of a corporation incorporated, reregistered or re-domiciled before the effective date of the 2020 Amendment Act, in which case the vote shall be two-thirds of all outstanding shares entitled to vote on a proposal to dissolve, unless the articles of incorporation of any such corporation provide for a majority of outstanding shares.

2. *Consent without meeting*. Whenever the shareholders entitled to vote on a proposal to dissolve shall consent in writing to a dissolution in accordance with Section 7.4, no meeting of shareholders shall be necessary.

3. *Articles of dissolution; contents, filing*. Articles of dissolution shall be signed and filed with the Registrar or the Deputy Registrar in accordance with Section 1.4. The articles of dissolution shall set forth the name of the corporation, the date of filing of the articles of incorporation, that the corporation elects to dissolve, and the manner in which the dissolution was authorized by the shareholders, a statement that the directors shall be the trustees of the corporation for the purpose of winding up the affairs of the corporation, and a listing of either the names and addresses of the directors and officers or the address of the corporation and the name and address of the corporation's legal representative for the purpose of winding up its affairs.

4. *Time when effective*. The dissolution shall become effective as of the filing date stated on the articles of dissolution.

5. *Dissolution before issuance of shares or beginning of business*. If a corporation has not issued shares or has not commenced the business for which the corporation was organized, a majority of the incorporators, or, if directors were named in the articles of incorporation or have been elected, a majority of the directors, may dissolve the corporation by filing in the Office of the Registrar or the Deputy Registrar a certificate, executed and acknowledged by a majority of the incorporators or directors, stating that:

(a) No shares have been issued or that the business or activity for which the corporation was organized has not begun;

(b) No part of the capital of the corporation has been paid, or, if some capital has been paid, that the amount actually paid in for the corporation's shares, less any part thereof disbursed for necessary expenses, has been returned to those entitled thereto;

(c) If the corporation has begun business but it has not issued shares, all debts of the corporation have been paid;

(d) If the corporation has not begun business but has issued share certificates, all issued share certificates, if any, have been surrendered and cancelled; and

(e) All rights and interests of the corporation are surrendered, and upon such certificate being filed in accordance with Section 1.4, the corporation shall be dissolved.

6. *Rescission of dissolution*. A corporation may rescind articles of dissolution filed in error upon adoption of a resolution of the board of directors and a resolution adopted by the holders of a majority of all outstanding shares entitled to vote, except in the case of a corporation incorporated, reregistered or re-domiciled before the effective date of the 2020 Amendment Act, in which case the vote shall be two-thirds of all outstanding shares entitled to vote. After being satisfied that all arrears of statutory fees have been paid, that the corporation has retained a

registered agent and that fees in respect of the period from the date of dissolution to the date on which rescission is to take place have been paid to the former registered agent, the corporation may be restored to full existence.

Prior legislation: 1956 Code 4:37; Lib. Corp. L., 1948, §37; 1976 Liberian Code of Laws Revised, Chapter 11, §11.1, amended effective June 19, 2002

§11.2. Judicial dissolution.

1. *Dissolution of corporation by court; general procedure*. Notwithstanding any other provision of this Act, a court outside Liberia shall not impose a corporate dissolution. A shareholders' meeting to consider adoption of a resolution to institute a special proceeding on any of the grounds specified below, may be called, notwithstanding any provision in the articles of incorporation or bylaws, by the holders of ten percent (10%) of all outstanding shares entitled to vote thereon, or if the articles of incorporation authorize a lesser proportion of shares to call the meeting, by such lesser proportion. A meeting under Section 11.2.1 may not be called more often than once in any period of twelve consecutive months. Except as otherwise provided in the articles of incorporation, the holders of one-half of all outstanding shares of a corporation entitled to vote in an election of directors may adopt at the meeting a resolution and institute a special proceeding in Liberia for dissolution on one or more of the following grounds:

(a) That the directors are so divided respecting the management of the corporation's affairs that the votes required for action by the board cannot be obtained;

(b) That the shareholders are so divided that the votes required for the election of directors cannot be obtained;

(c) That there is internal dissension and two or more factions of shareholders are so divided that dissolution would be beneficial to the shareholders;

(d) That the acts of the directors are illegal, oppressive or fraudulent;

(e) That the corporate assets are being misapplied or wasted.

If it appears, following due notice to all interested persons and hearing that any of the foregoing grounds for dissolution of the corporation exists, the court in Liberia shall make a judgment that the corporation shall be dissolved. The clerk of the court shall transmit certified copies of the judgment to the Minister of Foreign Affairs who shall provide a copy to the Deputy Registrar who shall treat the judgment as equivalent of articles of dissolution. Upon filing the judgment with the Registrar, the corporation shall be deemed dissolved.

2. *Dissolution of joint venture corporation having two shareholders*. If the shareholders of a corporation having only two shareholders each of which owns fifty percent (50%) of the shares therein, shall be engaged in the prosecution of a joint venture and if such shareholders shall be unable to agree upon the desirability of discontinuing such joint venture and disposing of the assets used in such venture, either shareholder may, unless otherwise provided in the articles of incorporation of the corporation or in a written agreement between the shareholders, file with a court of competent jurisdiction in Liberia a petition stating that it desires to discontinue such joint venture and to dispose of the assets used in such venture in accordance with a plan to be agreed upon by both shareholders or that, if no such plan shall be agreed upon by both shareholders, the corporation be dissolved. Such petition shall have attached thereto a copy of the proposed plan of discontinuance and distribution and a certificate stating that copies of such petition and plan have been transmitted in writing to the other shareholder and to the directors and officers of such corporation. The petition and certificate shall be executed and acknowledged in accordance with Section 1.4.

3. Unless both shareholders file with the court:

(a) Within ninety (90) days of the date of the filing of such petition, a certificate similarly executed and acknowledged stating that they have agreed on such plan, or a modification thereof; and

(b) Within one (1) year from the date of the filing of such petition, a certificate similarly executed and acknowledged stating that the distribution provided by such plan had been completed, the court may dissolve such corporation and may by appointment of one or more trustees or receivers with all the powers and title of a trustee or receiver appointed under Section 11.4.3, administer and wind up its

affairs. Either or both of the above periods may be extended by agreement of the shareholders, evidenced by a certificate similarly executed, acknowledged and filed with the court prior to the expiration of such period.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 11, §11.2, amended effective June 19, 2002

§11.3. Dissolution on failure to pay annual registration fee, appoint or maintain a registered agent, maintain adequate accounting records, or meet the custodial requirements of this Act.

1. *Procedure for dissolution*. On failure of a corporation to (i) pay the annual registration fee or (ii) comply with Section 8.1.1, 8.1.7, or 8.6 or (iii) maintain a registered agent for a period of one (1) year or (iv) provide records requested in accordance with Section 8.1.8 after six (6) months has elapsed since the request to provide such records, the Registrar or the Deputy Registrar shall cause a notification to be sent to the corporation through its last recorded registered agent that its articles of incorporation will be revoked unless within ninety (90) days of the date of the notice, payment of the annual registration fee has been received or affidavit provided in accordance with Section 8.6 or a registered agent has been reappointed, as the case may be. On the expiration of the ninety (90) day period, the Registrar or the Deputy Registrar, in the event the corporation has not remedied its default, may issue a proclamation declaring that the articles of incorporation have been revoked and the corporation dissolved as of the date stated in the proclamation. The proclamation of the Minister of Foreign Affairs shall be filed in the Office of the Minister of Foreign Affairs and the Minister shall mark on the record of the articles of incorporation of the corporation named in the proclamation the date of revocation and dissolution, and he shall give notice thereof to the last recorded registered agent. Thereupon the affairs of the corporation shall be wound up in accordance with the procedure provided in this Chapter. Furthermore, if a corporation does not comply with the custodial requirements of its issued and outstanding shares in bearer form, to the extent applicable, and/or the corporation fails to comply with requirements of provisions of Section 5.1.6, the Registered Agent in its sole discretion shall have the power to resign as registered agent of such corporation.

2. *Rescission of dissolution*. Whenever the articles of incorporation of a corporation have been revoked and the corporation dissolved pursuant to Section 11.3, the corporation may

request the Minister to reinstate the corporation. After being satisfied that all arrears of statutory fees have been paid, that the corporation has retained a registered agent and that fees in respect of the period from the date of dissolution to the date on which rescission is to take place have been paid to the former registered agent, the corporation may be restored to full existence. In addition to the above, any corporation dissolved as the result on noncompliance with Section(s) 5.1.6 or 8.6 may be reinstated if the Minister is satisfied that the corporation has complied with Section(s) 5.1.6 or 8.6, as applicable.

Prior legislation: L. 1959-60, ch. IX; 1956 Code 4:48; Lib. Corp. L., 1948, §48; 1976 Liberian Code of Laws Revised, Chapter 11, §11.3, amended effective June 19, 2002; amended effective May 6, 2016; amended effective April 23, 2018

§11.4. Winding up affairs of corporation after dissolution.

1. *Continuation of corporation for winding up*. All corporations, whether they expire by their own limitations or are otherwise dissolved, shall nevertheless be continued for the term of three (3) years from such expiration or dissolution as bodies corporate for the purpose of prosecuting and defending suits by or against them, and of enabling them gradually to settle and close their business, to dispose of and convey their property, to discharge their liabilities, and to distribute to the shareholders any remaining assets, but not for the purpose of continuing the business for which the corporation was organized. With respect to any action, suit, or proceeding begun by or against the corporation either prior to or within three years after the date of its expiration or dissolution, and not concluded within such period, the corporation shall be continued as a body corporate beyond that period for the purpose of concluding such action, suit or proceeding and until any judgment, order, or decree therein shall be fully executed.

2. *Trustees*. Upon the dissolution of any corporation, or upon the expiration of the period of its corporate existence, the directors shall be trustees thereof, with full power to settle the affairs, collect the outstanding debts, sell and convey the property, real and personal, as may be required by the laws of the country where situated, prosecute and defend all such suits as may be necessary or proper for the purposes aforesaid, distribute the money and other property among the shareholders after paying or adequately providing for payment of its liabilities and obligations, and do all other acts which might be done by the corporation, before dissolution, that may be necessary for the final settlement of the unfinished business of the corporation.

3. *Supervision by court of liquidation*. At any time within three (3) years after the filing of the articles of dissolution, a court of competent jurisdiction, in a special proceeding instituted under Section 11.4, upon the petition of the corporation, or of a creditor, claimant, director, officer, shareholder, subscriber for shares, incorporator or the Minister of Justice, may continue the liquidation of the corporation under the supervision of the court of competent jurisdiction and may make all such orders as it may deem proper in all matters in connection with the dissolution or in winding up the affairs of the corporation, including the appointment or removal of a receiver, who may be a director, officer or shareholder of the corporation.

Prior legislation: 1956 Code 4:37 (par. 4), 38, 39, 40; Lib. Corp L., 1948, §§37 (par.4), 38, 39, 40.

§11.5. Settlement of claims against the corporation.

1. *Notice to creditors*. Any time within one (1) year after dissolution, a corporation whose principal place of business is within Liberia shall, and a corporation whose principal place of business is outside Liberia may, give notice requiring all creditors and claimants, including any with unliquidated or contingent claims and any with whom the corporation has unfulfilled contracts, to present their claims in writing and in detail at a specified place and by a specified day, which shall not be less than six (6) months after the first publication of such notice. Such notice by a corporation whose principal place of business is within Liberia shall, and by a corporation whose principal place of business is outside Liberia may, be published at least once a week for four (4) successive weeks in a newspaper of general circulation in the county (or, if there is no county in such area, in the province, state or country) in which the principal office of the corporation was located at the date of dissolution, or if none exists, in a newspaper of general circulation in Liberia or elsewhere in a location in which the corporation regularly conducted its business. On or before the date of the first publication of such notice, if applicable, the corporation shall mail a copy thereof, postage prepaid and addressed to his last known address, to each person believed to be a creditor of or claimant against the corporation whose name and address are known to or can with due diligence be ascertained by the corporation. The giving of such notice shall not constitute a recognition that any person is a proper creditor or claimant, and shall not revive or make valid or operate as a recognition of the validity of, or a waiver of any defense or counter claim in respect of any claim against the corporation, its assets, directors, officers or shareholders, which has been barred by any statute of limitations or become invalid

by any cause, or in respect of which the corporation, its directors, officers or shareholders, have any defense or counterclaim.

2. *Filing or barring claim*. Any claims which shall have been filed as provided in such notice and which shall be disputed by the corporation may be submitted for determination to any court of competent jurisdiction. Any person whose claim is, at the date of the first publication of such notice, barred by any statute of limitations is not a creditor or claimant entitled to any notice under Section 11.5. The claim of any such person and all other claims which are not timely filed as provided in such notice except claims which are the subject of litigation on the date of the first publication of such notice, and all claims which are so filed but are disallowed by the court, shall be forever barred as against the corporation, its assets, directors, officers and shareholders, except to such extent, if any, as the court may allow them against any remaining assets of the corporation in the case of a creditor who shows satisfactory reason for his failure to file his claim as so provided. Any claim not so barred may be reviewed by the court to determine the amount and form of security sufficient to compensate claimants.

3. *Claims by Government*. Notwithstanding Section 11.5, tax claims and other claims by the Government shall not be required to be filed under Section 11.5, and such claims shall not be barred because not so filed, and distribution of the assets of the corporation, or any part thereof, may be deferred until determination of any such claims.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 11, §11.5, amended effective June 19, 2002

CHAPTER 12.

FOREIGN CORPORATIONS

§12.1. Authorization of foreign corporations.
§12.2. Application to existing authorized foreign corporations.
§12.3. Application for authority to do business.
§12.4. Filing of application for authority to do business.
§12.5. Amendment of authority to do business.
§12.6. Termination of authority of foreign corporation.
§12.7. Revocation of authority to do business.
§12.8. Rights and liabilities of unauthorized foreign corporation doing business.
§12.9. Actions or special proceedings against foreign corporations.
§12.10. Record of shareholders.
§12.11. Liability of foreign corporations for failure to disclose information.
§12.12. Applicability to foreign corporations of other provisions.

§12.1. Authorization of foreign corporations.

1. *Authorization required*. A foreign corporation shall not do business in Liberia until it has been authorized to do so as provided in this Chapter. A foreign corporation may be authorized to do in Liberia any business which it is authorized to do in the jurisdiction of its incorporation, and which may be done in Liberia by a domestic corporation.

2. *Activities which do not constitute doing business*. Without excluding other activities which may not constitute doing business in Liberia, a foreign corporation shall not be considered to be doing business in Liberia, for the purposes of this Act, by reason of carrying on in Liberia any one or more of the following activities:

(a) Maintaining or defending any action or proceeding, or effecting settlement thereof or the settlement of claims or disputes;

(b) Holding meetings of its directors or shareholders;

(c) Maintaining bank accounts;

(d) Maintaining facilities or agencies only for the transfer, exchange and registration of its securities, or appointing and maintaining trustees or depositaries with relation to its securities;

(e) For a foreign maritime entity to maintain a registered agent and registered address or carry on activities authorized by Section 13.2; and

(f) Maintaining a registered agent in Liberia.

Prior legislation: L. 1966-67, An Act to amend the Associations Law to require all foreign corporations desiring to engage in business in Liberia to register (4:60).

§12.2. Application to existing authorized foreign corporations.

Every foreign corporation which on the effective date of this Act is authorized to do business in Liberia shall continue to have such authority. Such foreign corporation, its shareholders, directors and officers shall have the same rights, franchises and privileges and shall be subject to the same limitations, restrictions, liabilities and penalties as a foreign corporation authorized under this Act, its shareholders, directors and officers respectively. Reference in this Act to an application for authority shall, unless the context otherwise requires, include the statement and designation and any amendment thereof required to be filed with the Registrar or the Deputy Registrar under prior statutes to obtain authority to do business.

§12.3. Application for authority to do business.

1. *Contents*. A foreign corporation, in order to procure authority to transact business in Liberia, shall make an application to the Minister of Foreign Affairs. The application shall be signed by an officer or attorney-in-fact for the corporation and shall set forth:

(a) The name of the foreign corporation;

(b) The jurisdiction and date of its incorporation;

(c) The address of the principal office of the corporation in the state or country under the laws of which it is incorporated;

(d) A statement of the business which it proposes to do in Liberia and a statement that it is authorized to do that business in the jurisdiction of its incorporation;

(e) The city or town and the county within Liberia in which its office is to be located;

(f) The name and address within Liberia of the registered agent and a statement that the registered agent is to be its agent upon whom process against it may be served;

(g) A designation of the Minister of Foreign Affairs as its agent upon whom process against it may be served under the circumstances stated in Section 3.2 and the post office address within or without Liberia to which the Minister of Foreign Affairs shall mail a copy of any process against it served upon him;

(h) A statement that the foreign corporation has not since its incorporation or since the date its authority to do business in Liberia was last surrendered, engaged in any activity constituting the doing of business therein contrary to law, or the date the foreign corporation first did business in Liberia.

2. *Certificate of incorporation.* Attached to the application for authority shall be a certificate by an officer of the jurisdiction of its incorporation that the foreign corporation is an existing corporation. If such certificate is in a foreign language, a translation thereof under oath of the translator shall be attached thereto.

Prior legislation: L. 1966-67, An Act to amend the Associations Law to require all foreign corporations desiring to engage in business in Liberia to register (4:60, 61).

§12.4. Filing of application for authority to do business.

The application of a foreign corporation for authority to do business together with a copy of its articles of incorporation duly authenticated by the proper officer of the jurisdiction under the laws of which it is incorporated, together with a translation of such articles of incorporation and authentication under oath of the translator, shall be filed with the Minister of Foreign Affairs in accordance with the provisions of Section 1.4 and shall thereupon be effective as an authorization to the foreign corporation to do business in Liberia.

Prior legislation: L. 1966-67, An Act to amend the Associations Law to require all foreign corporations desiring to engage in business in Liberia to register (4:60, 61).

§12.5. Amendment of authority to do business.

1. *Requirement stated*. A foreign corporation authorized to do business in Liberia may have its authority amended to effect any of the following changes:

(a) To change its corporate name if such change has been effected under the laws of the jurisdiction of its incorporation;

(b) To enlarge, limit or otherwise change the business which it proposes to do in Liberia;

(c) To change the location of its office in Liberia;

(d) To specify or change the post office address to which the Minister of Foreign Affairs shall mail a copy of any process against it served upon him;

(e) To make, revoke or change the designation of a registered agent or to specify or change his address.

Every foreign corporation authorized to do business in Liberia which shall amend its articles of incorporation or shall be a party to a merger or consolidation shall, within thirty days after the amendment or merger or consolidation becomes effective, file with the Minster of Foreign Affairs a copy of the amendment or a copy of the articles of merger or consolidation, duly certified by the proper officer of the jurisdiction in which the corporation was incorporated or under the laws of which the merger or consolidation was effected, together with a translation of the amendment or articles of incorporation under oath of the translator.

2. *Procedure*. An application to have its authority to do business amended shall be made to the Minster of Foreign Affairs. The requirements in respect to the form and contents of such application, the manner of its execution, and filing thereof with the Minster of Foreign Affairs shall be the same as in the case of an application for authority to do business.

§12.6. Termination of authority of foreign corporation.

1. *Surrender of authority*. A foreign corporation authorized to transact business in Liberia may withdraw from Liberia upon filing with the Minster of Foreign Affairs an application for withdrawal, which shall set forth:

(a) The name of the corporation and the jurisdiction in which it is incorporated;

(b) The date it was authorized to do business in Liberia;

(c) That the corporation surrenders its authority to do business in Liberia;

(d) That the corporation revokes the authority of its registered agent in Liberia to accept service of process and consents that service of process in any action, suit, or proceeding based upon any cause of action arising in Liberia during the time the corporation was authorized to do business in Liberia may thereafter be made on such corporation by service thereof on the Minister of Foreign Affairs;

(e) A post office address to which the Minister of Foreign Affairs may mail a copy of any process against the corporation that may be served on him.

The application for withdrawal shall be made on forms prescribed and furnished by the Minster of Foreign Affairs and shall be executed by the corporation by its president or a vice president and by its secretary or an assistant secretary, or if the corporation is in the hands of a receiver or trustee, shall be executed on behalf of the corporation by such receiver or trustee. The application for withdrawal shall be filed with the Minster of Foreign Affairs in accordance with the provisions of Section 1.4. Upon such filing by the Minster of Foreign Affairs the authorization of the corporation to do business in Liberia is terminated.

2. *Termination of existence in foreign jurisdiction*. When an authorized foreign corporation is dissolved or its authority or existence is otherwise terminated or cancelled in the jurisdiction of its incorporation or when such foreign corporation is merged into or consolidated with another foreign corporation and such corporation does not file the documentation set forth in Section 12.5 within the thirty (30) day period established in Section 12.5, a certificate of the official in charge of corporate records in the jurisdiction of incorporation of such foreign corporation,

which certificate attests to the occurrence of any such event, or a certified copy of an order or decree of a court of such jurisdiction directing the dissolution of such foreign corporation or the termination of its existence, shall be delivered to the Minster of Foreign Affairs, who shall file such document in accordance with Section 1.4. The authority of the corporation to transact business in Liberia shall thereupon cease. Service of process in any action, suit or proceeding based upon any cause of action which arose in Liberia during the time the corporation was authorized to transact business in Liberia may thereafter be made on such corporation by service on the Minister of Foreign Affairs.

§12.7. Revocation of authority to do business.

The authority of a foreign corporation to do business in Liberia may be revoked by the Minster of Foreign Affairs on the same grounds and in the same manner as provided in Section 11.3 with respect to revocation of articles of incorporation.

§12.8. Rights and liabilities of unauthorized foreign corporation doing business.

1. *Actions or special proceedings by corporation*. A foreign corporation doing business in Liberia without authority shall not maintain any action or special proceeding in Liberia unless and until such corporation has been authorized to do business in Liberia and it has paid to the Minster of Foreign Affairs all fees, penalties and taxes for the years or parts thereof during which it did business in Liberia without authority. This prohibition shall apply to any successor in interest of such foreign corporation.

2. *Validity of contracts or acts by unauthorized corporation; defending action*. The failure of a foreign corporation to obtain authority to do business in Liberia shall not impair the validity of any contract or act of the foreign corporation or the right of any other party to the contract to maintain any action or special proceeding thereon, and shall not prevent the foreign corporation from defending any action or special proceeding in Liberia.

§12.9. Actions or special proceedings against foreign corporations.

1. *By resident of Liberia or domestic corporation*. Subject to the limitations with regard to personal jurisdiction contained in Sections 3.2 or 3.3 of the Civil Procedure Law, an action or

special proceeding against a foreign corporation may be maintained by a resident of Liberia or by a domestic corporation of any type or kind.

2. *By another foreign corporation or non-resident.* Except as otherwise provided in this Chapter, an action or special proceeding against a foreign corporation may be maintained in Liberia by another foreign corporation of any type or kind or by a non-resident in the following cases only:

(a) Where the action is brought to recover damages for the breach of a contract made or to be performed within Liberia, or relating to property situated within Liberia at the time of the making of the contract;

(b) Where the cause of action arose within Liberia, except where the object of the action or special proceeding is to affect the title of real property situated outside Liberia;

(c) Where the subject matter of the litigation is situated within Liberia;

(d) Where the action or special proceeding is based on a liability for acts done within Liberia by a foreign corporation;

(e) Where the defendant is a foreign corporation doing business in Liberia, subject to the provisions of Section 12.9.3.

3. *Dismissal for inconvenience to parties.* Any action upon a cause of action not arising out of business transacted or activities performed within Liberia brought against a foreign corporation by a non-resident of Liberia or a foreign corporation may in the discretion of the Liberian court be dismissed if it appears that the convenience of the parties would be better served by an action brought in some other jurisdiction.

§12.10. Record of shareholders.

Any resident of Liberia who shall have been a shareholder of record of an authorized foreign corporation for at least six (6) months preceding his demand, upon at least ten (10) days' written demand may require such foreign corporation to produce a record of its registered shareholders

containing the names and addresses of such shareholders, the number and class of shares held by each and the date when they respectively became the owners of record thereof, and, if such corporation issues bearer shares, a record of all certificates issued in bearer form, including the number, class and dates of issuance of such certificates. The shareholder requiring production of such records shall have the right to examine in person or by agent or attorney at the office of the foreign corporation in Liberia or at such other place in Liberia as may be designated by the foreign corporation, the record of shareholders or an exact copy thereof certified as correct by the corporate officer or agent for keeping or producing such record, and to make extracts therefrom. Any inspection authorized by Section 12.10 may be denied to such shareholder or other person upon his refusal to furnish to the corporation an affidavit that such inspection is not desired for a purpose which is in the interest of a business or object other than the business of the foreign corporation and that such shareholder or other person has not within five (5) years sold or offered for sale any list of shareholders of any domestic or foreign corporation or aided or abetted any person in procuring any such record of shareholders for any such purpose.

§12.11. Liability of foreign corporations for failure to disclose information.

A foreign corporation doing business in Liberia shall, in the same manner as a domestic corporation, disclose to its shareholders of record who are residents of Liberia the information required under Sections 5.10.3, 5.12.4, or 5.13.3.

§12.12. Applicability to foreign corporations of other provisions.

In addition to Chapter 1 (General provisions), Chapter 3 (Service of process), and the other sections of this Chapter, the following provisions to the extent provided therein, shall apply to a foreign corporation doing business in Liberia, its directors, officers and shareholders:

(a) Section 7.16 (Shareholders' derivative actions);

(b) Section 8.1 (Requirement for keeping accounting records, minutes and records of shareholders);

(c) Section 10.5 (Merger or consolidation of domestic and foreign corporations);

(d) Section 10.8 (Procedure to enforce shareholder's right to receive payment for shares); and

(e) Section 11.3 (Dissolution on failure to pay annual registration fee, appoint or maintain a registered agent, maintain adequate accounting records, or meet the custodial requirements of this Act).

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 12, §12.12, amended effective May 6, 2016

CHAPTER 13.

FOREIGN MARITIME ENTITIES

§13.1. Method of registration.
§13.2. Powers granted on registration.
§13.3. Subsequent change of business address of lawful fiduciary or legal representative; amendment of document upon which existence is based.
§13.4. Revocation of registration.
§13.5. Fees.
§13.6. Termination of registration of foreign maritime entity.
§13.7. Actions or special proceedings against foreign maritime entities.

§13.1. Method of registration.

1. *Eligibility*. A foreign entity whose indenture or instrument of trust, charter or articles of incorporation, agreement of partnership or other document recognized by the foreign jurisdiction of its creation as the basis of its existence, which document directly or by force of law of the jurisdiction of creation comprehends the power to own or operate vessels, and which confers or recognizes the capacity under the law of the jurisdiction of creation to sue and be sued in the name of the entity or its lawful fiduciary or legal representative, may apply to the Registrar or the Deputy Registrar to be registered as a foreign maritime entity. The burden of establishing the capacity to sue and be sued shall be upon the applicant for such registration.

2. *Form of Application*. The application shall be executed by any officer or an authorized signatory of the entity or by an attorney-in-fact or in law, so authorized. The application shall be dated and shall state the following:

(a) The name of the entity;

(b) The legal character or nature of the entity;

(c) The jurisdiction and date of its creation;

(d) Whether the entity has the power to own or operate vessels;

(e) Whether the entity has the capacity to sue and be sued in its own name or, if not, in the name of its lawful fiduciary or legal representative;

(f) The address of the principal place of business of the entity and, if such place is not in the jurisdiction of the creation of the entity, either the address of its place of business or the name and address of its lawful fiduciary or legal representative within the jurisdiction of the creation of the entity;

(g) The full names and addresses of the persons currently vested under law with management of the entity;

(h) The name and address within Liberia of the registered agent designated in accordance with the requirement of Section 3.1.1 and a statement that the registered agent is to be its agent upon whom process against it may be served; and

(i) The title of the person authorized to execute the document and where he is not an officer of the corporation the basis of his authority to so execute.

3. *Certified copy of document; certification of legal existence*. To each application shall be attached a full copy of the indenture or instrument of trust or charter or articles of incorporation or agreement of partnership or other documents upon which the existence of the entity is based, and, if such copy is in a foreign language, a translation thereof into English certified by a translator. Each such copy shall be certified by an authorized official of government or, if government certification cannot be obtained, by a lawyer admitted to practice in the jurisdiction of creation of the entity, stating that the entity is in existence. If such certificate is in a foreign language, a translation thereof in English certified by a translator shall be attached thereto. Each application, with attachments, shall be filed with the Registrar or the Deputy Registrar in accordance with the provisions of Section 1.4, and the applicant is registered as a foreign maritime entity as of the filing date stated thereon.

4. *Power to vary*. The Registrar or Deputy Registrar may vary the requirements of this Section 13.1 in respect of execution, acknowledgement and filing but only to the extent that the burden of such requirement is reduced.

Prior legislation: L. 1972-73, An Act to amend the Associations Law with respect to foreign maritime trusts and Corporations (4:49). Amended eff. August 31, 1989; 1976 Liberian Code of Laws Revised, Chapter 13, §13.1, amended effective June 19, 2002

§13.2. Powers granted on registration.

A registered foreign maritime entity shall have the following powers:

(a) To own and operate vessels registered under the Laws of the Republic of Liberia provided all requirements of the Maritime Law are met;

(b) To do all things necessary to the conduct of the business of ownership and operation of Liberian-flag vessels and, for that purpose, to have one or more offices in Liberia and to hold, purchase, lease, mortgage and convey real and personal property, subject to the organic law of the Republic of Liberia.

Prior legislation: L. 1972-73, An Act to amend the Associations Law with respect to foreign maritime trusts and corporations (4:49). Amended eff. August 31, 1989

§13.3. Subsequent change of business address of lawful fiduciary or legal representative; amendment of document upon which existence is based.

1. *Change of address*. Whenever a change occurs in the address or addresses stated under Section 13.1.2(f) written notice of such change, stating the new information, shall be filed with the registered agent named under Section 13.1.2(h).

2. *Amendment of document*. Whenever the indenture or instrument of trust or charter or articles of incorporation or agreement of partnership or other document upon which the existence of the entity is based is amended, a duly certified copy of such amendment in accordance with Section 13.1.3 shall be filed with the Registrar or the Deputy Registrar. If such amendment is in a foreign language, a translation thereof into English certified by a translator shall be attached.

Prior legislation: L. 1972-73, An Act to amend the Associations Law with respect to foreign maritime trusts and corporations (4:49). Amended eff. August 31, 1989; 1976 Liberian Code of Laws Revised, Chapter 13, §13.3, amended effective June 19, 2002

§13.4. Revocation of registration.

The registration of a foreign maritime entity may be revoked by the Registrar or the Deputy Registrar on the same grounds and in the same manner provided in Section 11.3 with respect to dissolution of a corporation

Prior legislation: August 31, 1989; 1976 Liberian Code of Laws Revised, Chapter 13, §13.4, amended effective June 19, 2002

§13.5. Fees.

The following fees shall be paid to the Registrar or the Deputy Registrar by a foreign maritime entity:

(a) Upon application for registration, US$500.00; and

(b) An annual registration fee of US$200.00.

Prior legislation: L. 1972-73, An Act to amend the Associations Law with respect to foreign maritime trusts and corporations (4:49). Amended eff. August 31, 1989; 1976 Liberian Code of Laws Revised, Chapter 13, §13.5, amended effective June 19, 2002

§13.6. Termination of registration of foreign maritime entity.

1. *Application to terminate*. A foreign maritime entity registered in Liberia under this Chapter may terminate that registration by filing with the Registrar or the Deputy Registrar an application for termination, which shall set forth:

(a) The name of the foreign maritime entity and the jurisdiction in which it is created;

(b) The date the foreign maritime entity was registered in Liberia;

(c) That the foreign maritime entity applies to terminate its registration in Liberia;

(d) That the foreign maritime entity revokes the authority of its registered agent in Liberia to accept service of process and consents that service of process in any action, suit, or proceeding based upon any cause of action arising in Liberia

during the time the entity was authorized to do business in Liberia may thereafter be made on such entity by service thereof on the Minister of Foreign Affairs;

(e) The address of the foreign maritime entity's place of business or the name and address of its lawful fiduciary or legal representative within the jurisdiction of the creation of the foreign maritime entity to which the Minister may mail a copy of any process against the foreign maritime entity that may be served on him.

The application for termination shall be made on forms furnished by the Registrar or the Deputy Registrar and shall be executed in accordance with Section 13.1 or if the foreign maritime entity is in the hands of a receiver or trustee, shall be executed on behalf of the foreign maritime entity by such receiver or trustee and notarized. The application for termination shall be filed with the Registrar or the Deputy Registrar in accordance with the provisions of Section 1.4. Upon the acceptance of such filing by the Registrar or the Deputy Registrar, the registration of the foreign maritime entity in Liberia is terminated.

2. *Termination of existence in foreign jurisdiction*. When a registered foreign maritime entity is dissolved or its authority or existence is otherwise terminated or cancelled in the jurisdiction of its creation or when such foreign maritime entity is merged into or consolidated with another foreign entity, a certificate of the official in charge of the records relevant to the entity in the jurisdiction of creation of such foreign entity, which certificate attests to the occurrence of any such event, or a certified copy of an order or decree of a court of such jurisdiction directing the dissolution of such foreign entity or the termination of its existence shall be delivered to the Registrar or the Deputy Registrar who shall file such document in accordance with Section 1.4. The registration of the foreign maritime entity in Liberia shall thereupon cease. Service of process in any action, suit or proceeding based upon any cause of action which arose during the time the foreign maritime entity was registered in Liberia may thereafter be made on such corporation by service on the Minister of Foreign Affairs.

Prior legislation: Amended eff. August 31, 1989; 1976 Liberian Code of Laws Revised, Chapter 13, §13.6, amended effective June 19, 2002

§13.7. Actions or special proceedings against foreign maritime entities.

1. *By resident of Liberia or domestic corporation*. Subject to the limitations with regard to personal jurisdiction contained in Sections 3.2 or 3.3 of the Civil Procedure Law, an action or special proceeding against a foreign maritime entity may be maintained by a resident of Liberia or by a domestic entity of any type or kind.

2. *By another foreign corporation*. Except as otherwise provided in this Chapter, an action or special proceeding against a foreign maritime entity may be maintained in Liberia by another foreign entity of any type or kind in the following cases only:

(a) Where the action is brought to recover damages for the breach of a contract made or to be performed within Liberia, or relating to property situated within Liberia at the time of the making of the contract;

(b) Where the cause of action arose within Liberia, except where the object of the action or special proceeding is to affect the title of real property situated outside Liberia;

(c) Where the subject matter of the litigation is situated within Liberia;

(d) Where the action or special proceeding is based on a liability for acts done within Liberia by a foreign maritime entity;

(e) Where the defendant is a foreign maritime entity doing business in Liberia, subject to the provisions of Section 13.7.3.

3. *Dismissal for inconvenience to parties*. Any action upon a cause of action not arising out of business transacted or activities performed within Liberia brought against a foreign maritime entity by a foreign entity may in the discretion of the Liberian court be dismissed if it appears that the convenience of the parties would be better served by an action brought in some other jurisdiction.

Effective: June 19, 2002

CHAPTER 14.

LIMITED LIABILITY COMPANIES

SUBCHAPTER I.

GENERAL PROVISIONS

§14.1.1. Definitions.
§14.1.2. Name set forth in certificate.
§14.1.3. Reservation of name.
§14.1.4. Service of process; registered agent.
§14.1.5. Nature of business permitted; powers.
§14.1.6. Business transactions of member or manager with the limited liability company.
§14.1.7. Indemnification.

§14.1.1. Definitions.

As used in this Act unless the context otherwise requires:

(a) "***Bankruptcy***" means any of the events set forth in Section 14.3.4;

(b) "***Certificate of formation***" means the certificate referred to in Section 14.2.1, and the certificate as amended;

(c) "***Contribution***" means any cash, property, services rendered or a promissory note or other obligation to contribute cash or property or to perform services, which a person contributes to a limited liability company in his capacity as a member;

(d) "***Foreign limited liability company***" means a limited liability company formed under the laws of another jurisdiction. When used in this Act in reference to a foreign limited liability company, the terms "limited liability company agreement," "limited liability company interest," "manager" or "member" shall mean a limited liability company agreement, limited liability company interest, manager or member, respectively, under the laws of the state or foreign country or other foreign jurisdiction under which the foreign limited liability company is formed, and "authorized" when used with respect to a foreign limited liability

company means having authority to do business in Liberia under Chapter 12 of Part I of this Act, as applied to a foreign limited liability company;

(e) "***Knowledge***" means a person's actual knowledge of a fact, rather than the person's constructive knowledge of the fact.

(f) "***Limited liability company***" and "***domestic limited liability company***" mean a limited liability company formed under the laws of the Republic of Liberia and having one or more members;

(g) "***Limited liability company agreement***" means any agreement, whether referred to as a limited liability company agreement, operating agreement or otherwise, written, or in the case of non-resident limited liability companies only, oral or implied, of the member or members as to the affairs of a limited liability company and the conduct of its business. A member or manager of a limited liability company or an assignee of a limited liability company interest is bound by the limited liability company agreement, whether or not the member or manager or assignee executes the limited liability company agreement, which may be signed electronically. A limited liability company is not required to execute its limited liability company agreement. A limited liability company is bound by its limited liability company agreement whether or not the limited liability company executes the limited liability company agreement. A limited liability company agreement of a limited liability company having only one member shall not be unenforceable by reason of there being only one person who is a party to the limited liability company agreement. A limited liability company agreement may provide rights to any person, including a person who is not a party to the limited liability company agreement, to the extent set forth therein. A written limited liability company agreement or another written agreement or writing:

(i) May provide that a person shall be admitted as a member of a limited liability company, or shall become an assignee of a limited liability company interest or other rights or powers of a member to the extent

assigned, and shall become bound by the limited liability company agreement:

(aa) If such person (or a representative authorized by such person orally, in writing or by other action such as payment for a limited liability company interest) executes the limited liability company agreement or any other writing evidencing the intent of such person to become a member or assignee; or

(bb) Without such execution, if such person (or a representative authorized by such person orally, in writing, or by other action such as payment for a limited liability company interest) complies with the conditions for becoming a member or assignee as set forth in the limited liability company agreement or any other writing; and

(ii) Shall not be unenforceable by reason of its not having been signed by a person being admitted as a member or becoming an assignee as provided in Section 14.1.1(g)(i), or by reason of its having been signed by a representative as provided in this Act; and

(iii) May be entered into either before, after, or at the time of the filing of the certificate of formation and, whether entered into before, after, or at the time of such filing, may be made effective as of the formation of the limited liability company or at such other time or date as provided in the limited liability company agreement.

(h) "***Limited liability company interest***" means a member's share of the profits and losses of a limited liability company and a member's right to receive distributions of the limited liability company's assets.

(i) "***Liquidating trustee***" means a person carrying out the winding up of a limited liability company.

(j) "***Manager***" means a person who is named as a manager of a limited liability company in, or designated as a manager of a limited liability company pursuant to, a limited liability company agreement or similar instrument under which the limited liability company is formed.

(k) "***Member***" means a person who has been admitted to a limited liability company as a member as provided in Section 14.3.1.

(l) "***Non-resident limited liability company***" means either a domestic limited liability company or a foreign limited liability company not doing business in Liberia. A limited liability company shall not be considered to be doing business in Liberia by reason of carrying out one or more of the following activities:

(1) Maintaining or defending any action or proceeding, or effecting settlement thereof or the settlement of claims or disputes;

(2) Holding meetings, including meetings of its managers or members;

(3) Maintaining facilities or agencies only for the transfer, exchange and registration of its securities, or appointing and maintaining trustees or depositaries with relation to its securities;

(4) Maintaining a registered agent or an administrative, management or statutory office in Liberia;

(5) Investing in stock (or other equity ownership interests) or securities in a resident legal person (unless the investment is in an entity that provides to the investor a distributive share of adjusted income consisting of income derived from operations carried on in Liberia); or

(6) Maintaining a bank account in Liberia.

(m) "***Person***" means a natural person, partnership (whether general or limited), limited liability company, trust, estate, association, corporation, foundation,

custodian, nominee or any other natural person or entity in its own or any representative capacity.

(n) "***Personal representative***" means, as to a natural person, the executor, administrator, guardian, conservator or other legal representative thereof and, as to a person other than a natural person, the legal representative or successor thereof.

(o) "***Resident limited liability company***" means a domestic limited liability company doing business in Liberia.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.1.2. Name set forth in certificate.

1. The name of each limited liability company as set forth in its certificate of formation:

(a) Shall contain the words "Limited Liability Company" or the abbreviation "L.L.C." or the designation "LLC";

(b) May contain the name of a member or manager;

(c) Shall not contain a word, the use of which by the limited liability company would in the opinion of the Registrar or the Deputy Registrar:

(i) constitute a criminal offense; or

(ii) be offensive or undesirable;

(d) Must be such as to distinguish it upon the records in the office of the Registrar or the Deputy Registrar from the name on such records of any corporation, partnership, limited partnership, business trust, foreign maritime entity, limited liability company, or foundation reserved, registered, formed or organized under the laws of the Republic of Liberia or qualified to do business or registered as a foreign corporation, foreign partnership, foreign limited partnership or foreign limited liability company;

(e) May contain any of the following words: “Company”, “Association”, ‘‘Club”, “Foundation”, “Fund”, “Institute”, “Society”, “Union”, “Syndicate”, “Limited” or “Trust” (or abbreviations of like import);

(f) Shall not contain the words “Chamber of Commerce”, “Building Society”, “Bank” or “Insurance”, or words of similar connotation or a translation of those words, unless the limited liability company is authorized to use the words by virtue of a license granted by the Government of Liberia or under any other relevant Liberian law;

(g) Shall not contain words which in the opinion of the Registrar suggest, or are calculated to suggest, the patronage of the Government of Liberia or any ministry or agency thereof; and

(h) Shall not contain words specified by the Registrar for this purpose, except with his consent.

2. The Registrar or Deputy Registrar may specify by notice, words or expressions for the registration of which as or as part of a limited liability company name, his approval is required under Section 14.1.2.1(h), and may make different provisions for different cases or classes of case and may make such transitional provisions and exceptions as he thinks appropriate.

3. Where a limited liability company has been formed by a name which:

(a) Is the same as or, in the opinion of the Registrar or the Deputy Registrar, too similar to a name appearing at the time of registration in the index of names; or

(b) Is the same as or, in the opinion of the Registrar or the Deputy Registrar, too similar to the name which should have appeared in that index at that time,

the Registrar or the Deputy Registrar may, within one (1) year of the time of formation, direct the limited liability company in writing to change its name within such period as he may specify. The provisions of Section 14.1.2 apply in determining whether the name is the same as or too similar to another.

4. If it appears to the Registrar or the Deputy Registrar that misleading information has been given for the purpose of formation with a particular name, or that undertakings or assurances have been given for that purpose and have not been fulfilled, he shall within one (1) year of the date of disclosure or discovery of that fact direct the limited liability company, in writing, to change its name within such period as he may specify, and where a direction has been given under Section 14.1.2.3 or Section 14.1.2.4 the Registrar or the Deputy Registrar may by a further direction in writing extend the period within which the limited liability company has to change its name at any time before the end of that period.

5. Certificates of formation may include the name of a limited liability company in foreign characters only if accompanied by a translation to English letters, to the extent permitted by the Registrar or the Deputy Registrar. The Registrar or the Deputy Registrar shall treat the name in English characters for all purposes as the name of the limited liability company.

6. In determining for the purposes of Section 14.1.2 whether one name is the same as another, there are to be disregarded:

(a) The definite article, where it is the first word of the name;

(b) The following words, expressions, and or abbreviations where they appear before or at the end of a name, that is to say: "Limited Liability Company" or "and Limited Liability Company" or "LLC" or "and LLC" or "L.L.C." or "and L.L.C.", or a translation of into, or words with an equivalent meaning in, another language;

(c) Type and case of letters, accents, spaces between letters and punctuation marks, and "and" and "&" are to be taken as the same.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.1.3. Reservation of name.

1. *Right to reserve*. The exclusive right to the use of a name may be reserved by:

(a) Any person intending to form a limited liability company under this Chapter and to adopt that name;

(b) Any domestic limited liability company or any foreign limited liability company authorized in Liberia which, in either case, proposes to change its name;

(c) Any foreign limited liability company intending to re-domicile into Liberia and adopt that name;

(d) Any legal entity intending to reregister as a limited liability company. and adopt that name; and

(e) Any person intending to form a foreign limited liability company and intending to have it register in Liberia and adopt that name.

2. *Method of making reservation*. The reservation of a specified name shall be made by filing with the Registrar or the Deputy Registrar an application, executed by the applicant, specifying the name to be reserved and the name and address of the applicant. If the Registrar or the Deputy Registrar finds that the name is available for use by a domestic limited liability company, he shall reserve the name for the exclusive use of the applicant for a period of one hundred twenty (120) days. Once having so reserved a name, the same applicant may again reserve the same name for successive one hundred twenty (120) day periods, after which the reservation shall be cancelled.

3. There shall be maintained at the office of the Registrar or the Deputy Registrar, as a public record, an index of limited liability companies registered under this Act together with a register of all documents required by this Act to be filed with the Registrar or the Deputy Registrar. The Registrar or the Deputy Registrar shall keep an alphabetical index of all names of all existing domestic limited liability companies, re-domiciled limited liability companies, cancelled limited liability companies and foreign limited liability companies authorized to do business in Liberia.

Effective: November 26, 1999; amended effective June 19, 2002

§14.1.4. Service of process; registered agent.

The provisions of Chapter 3 of Part I of this Act shall apply to a limited liability company as they apply to a corporation.

Effective: November 26, 1999; amended effective June 19, 2002

§14.1.5. Nature of business permitted; powers.

1. *Lawful business*. A limited liability company may carry on any lawful business, purpose or activity. A limited liability company to which the New Financial Institutions Act or the Insurance Law is applicable shall also be subject to this Act, provided that New Financial Institutions Act or the Insurance Law, as the case may be, shall prevail over any conflicting provisions of this Act.

2. *General powers*. A limited liability company shall possess and may exercise all the powers and privileges granted by this Act or by any other law or by its limited liability company agreement, together with any powers incidental thereto, including such powers and privileges as are necessary or convenient to the conduct, promotion or attainment of the business, purposes or activities of the limited liability company.

3. Notwithstanding any provision of this Act to the contrary, without limiting the general powers enumerated in Section 14.1.5.2, a limited liability company shall, subject to such standards and restrictions, if any, as are set forth in its limited liability company agreement, have the power and authority to make contracts of guaranty and suretyship and enter into interest rate, basis, currency, hedge or other swap agreements or cap, floor, put, call, option, exchange or collar agreements, derivative agreements, or other agreements similar to any of the foregoing.

4. Unless otherwise provided in a limited liability company agreement, a limited liability company has the power and authority to grant, hold or exercise a power of attorney, including an irrevocable power of attorney.

5. A non-resident limited liability company is not required to register with and shall not be regulated by the Ministry of Commerce and Industry or the Ministry of Transport or any similar

regulatory agency and shall not be subject to any enactment intended to regulate the conduct of business in Liberia.

Effective: November 26, 1999; amended effective June 19, 2002

§14.1.6. Business transactions of member or manager with the limited liability company.

Except as provided in a limited liability company agreement, a member or manager may lend money to, borrow money from, act as a surety, guarantor or endorser for, guarantee or assume one or more obligations of, provide collateral for, and transact other business with a limited liability company and, subject to other applicable law, has the same rights and obligations with respect to any such matter as a person who is not a member or manager.

Effective: November 26, 1999; amended effective June 19, 2002

§14.1.7. Indemnification.

Subject to such standards and restrictions, if any, as are set forth in its limited liability company agreement, a limited liability company shall have the power to, indemnify and hold harmless any member or manager or other person from and against any and all claims and demands whatsoever.

Effective: November 26, 1999; amended effective June 19, 2002

CHAPTER 14.

SUBCHAPTER II.

FORMATION, AMENDMENT, MERGER, CONSOLIDATION, RE-DOMICILIATION, REREGISTRATION, AND CANCELLATION

§14.2.1. Certificate of formation.
§14.2.2. Amendment to certificate of formation.
§14.2.3. Cancellation of certificate.
§14.2.4. Execution.
§14.2.5. Execution, amendment or cancellation by judicial order.
§14.2.6. Filing and effect.
§14.2.7. Notice.
§14.2.8. Restated certificate.
§14.2.9. Merger and consolidation.
§14.2.10. Effect of merger or consolidation.
§14.2.11. Merger or consolidation of limited liability company and other associations.
§14.2.12. Power of limited liability company to re-domicile into Liberia.
§14.2.13. Power of limited liability company to re-domicile out of Liberia.
§14.2.14. Reregistration of another entity as a limited liability company.
§14.2.15. Series of members, managers, limited liability company interests or assets.
§14.2.16. Cancellation and reregistration of limited liability company as another entity.

§ 14.2.1. Certificate of formation.

1. *Filing of certificate*. In order to form a limited liability company, one or more persons shall execute a certificate of formation. The certificate of formation shall be filed in the Office of the Registrar or the Deputy Registrar and shall set forth:

(a) The name of the limited liability company;

(b) The name and address of the registered agent for service of process required to be maintained by Section 14.1.4; and

(c) If the limited liability company is to have a specific date of dissolution, the latest date on which the limited liability company is to dissolve; and

(d) Any other matters the members determine to include therein.

2. *Formation*. A limited liability company is formed at the time of the filing of the initial certificate of formation in the office of the Registrar or the Deputy Registrar or at any later date specified in the certificate of formation if, in either case, there has been substantial compliance with the requirements of Section 14.2.1. A limited liability company formed under this Act shall be a separate legal entity, the existence of which as a separate legal entity shall continue until cancellation of the limited liability company's certificate of formation or as otherwise specified in relation to limited liability companies which re-domicile or cancel and reregister.

3. A limited liability company agreement shall be entered into or otherwise existing either before, after or at the time of the filing of a certificate of formation and, whether entered into or otherwise existing before, after or at the time of such filing, may be made effective as of the effective time of such filing or at such other time or date as provided in or reflected by the limited liability company agreement.

Effective: November 26, 1999; amended effective June 19, 2002.

§ 14.2.2. Amendment to certificate of formation.

1. *Filing of amendment*. A certificate of formation is amended by filing a certificate of amendment thereto in the office of the Registrar or the Deputy Registrar. The certificate of amendment shall set forth:

(a) The name of the limited liability company and the date of the initial filing of the certificate of formation; and

(b) The amendment to the certificate of formation.

2. *Duty of manager*. A manager or, if there is no manager then any member, who becomes aware that any statement in a certificate of formation was false or misleading when made, or that any matter described has changed making the certificate of formation false in any material respect, shall promptly amend the certificate of formation.

3. *Timing and purpose of amendment*. A certificate of formation may be amended at any time for any other proper purpose.

4. *Effective date*. Unless otherwise provided in this Act or unless a later effective date or time (which shall be a date or time certain) is provided for in the certificate of amendment, a certificate of amendment shall be effective at the time of its filing with the Registrar or the Deputy Registrar.

Effective: November 26, 1999; amended effective June 19, 2002.

§ 14.2.3. Cancellation of certificate.

1. A certificate of formation shall be cancelled upon the dissolution and the completion of winding up of a limited liability company, or as provided in Sections 14.8.1, 14.8.2, and 14.8.3, or upon the filing of a certificate of merger or consolidation if the limited liability company is not the surviving or resulting entity in a merger or consolidation, or upon the cancellation and reregistration of a domestic limited liability company approved in accordance with Section 14.2.16. A certificate of cancellation shall be filed in the Office of the Registrar or the Deputy Registrar to accomplish the cancellation of a certificate of formation upon the dissolution and the completion of winding up of a limited liability company and shall set forth:

(a) The name of the limited liability company;

(b) The date of filing of its certificate of formation;

(c) The reason for filing the certificate of cancellation;

(d) The future effective date (which shall be a date certain) of cancellation if it is not to be effective upon the filing of the certificate;

(e) In the case of the cancellation and reregistration of a domestic limited liability company, the name of the legal entity to which the domestic limited liability company has been cancellation and reregistered; and

(f) Any other information the person filing the certificate of cancellation determines.

2. A certificate of cancellation that is filed in the office of the Registrar or Deputy Registrar prior to the dissolution or the completion of winding up of a limited liability company may be

corrected as an erroneously executed certificate of cancellation by filing with the office of the Registrar or the Deputy registrar a certificate of correction of such certificate of cancellation in accordance with Section 14.2.6.

3. The Registrar or the Deputy Registrar shall not issue a certificate of goodstanding with respect to a limited liability company if its certificate of formation is cancelled.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.2.4. Execution.

1. *Application of Chapter 1*. Except where otherwise provided in this Act, Section 1.4 of this Title shall apply in respect of any document to be filed with the Registrar or the Deputy Registrar under the provisions of this Act.

2. *Execution of certificates*. Each certificate required by this Act to be filed in the office of the Registrar or the Deputy Registrar by a limited liability company shall be executed by any officer or other authorized signatory.

3. *Power to enter into agreement*. Unless otherwise provided in a limited liability company agreement, any person may enter into a limited liability company agreement or amendment thereof by an agent, including an attorney-in-fact. An authorization, including a power of attorney, to sign any certificate or amendment thereof or to enter into a limited liability company agreement or amendment thereof need not be in writing, need not be sworn to, verified or acknowledged, and need not be filed in the office of the Registrar or the Deputy Registrar, but if in writing, must be retained by the limited liability company.

4. *Power of Attorney*. For all purposes of the laws of Liberia, unless otherwise provided in a limited liability company agreement, a power of attorney or proxy with respect to a limited liability company granted to any person shall be irrevocable if it states that it is irrevocable and it is coupled with an interest sufficient in law to support an irrevocable power or proxy. Such irrevocable power of attorney or proxy, unless otherwise provided therein or in a limited liability company agreement, shall not be affected by subsequent death, disability, incapacity, dissolution, termination of existence or bankruptcy of, or any other event concerning, the principal. A power

of attorney or proxy with respect to matters relating to the organization, internal affairs or termination of a limited liability company or granted by a person as a member or an assignee of a limited liability company interest or by a person seeking to become a member or an assignee of a limited liability company interest and, in either case, granted to the limited liability company, a manager or member thereof, or any of their respective officers, directors, managers, members, partners, trustees, employees or agents shall be deemed coupled with an interest sufficient in law to support an irrevocable power. The provisions of Section 14.2.4.4 shall not be construed to limit the enforceability of a power of attorney or proxy that is part of a limited liability company agreement.

5. *Certificate by an authorized person*. The execution of a certificate by an authorized person constitutes an oath or affirmation, under the penalties of perjury, that, to the best of such person's knowledge and belief, the facts stated therein are true.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.2.5. Execution, amendment or cancellation by judicial order.

1. *Failure properly to execute*. If a person required to execute a certificate required by this Subchapter fails or refuses to do so, any other person who is adversely affected by the failure or refusal may petition a court of competent jurisdiction to direct the execution of the certificate. If the court finds that the execution of the certificate is proper and that any person so designated has failed or refused to execute the certificate, it shall order the Registrar or the Deputy Registrar to record an appropriate certificate.

2. *Remedies*. If a person required to execute a limited liability company agreement or amendment thereof fails or refuses to do so, any other person who is adversely affected by the failure or refusal may petition a court of competent jurisdiction to direct the execution of the limited liability company agreement or amendment thereof. If the court finds that the limited liability company agreement or amendment thereof should be executed and that any person required to execute the limited liability company agreement or amendment thereof has failed or refused to do so, it shall enter an order granting appropriate relief.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.2.6. Filing and effect.

1. The signed copy of any certificate authorized to be filed under this Act, including the certificate of formation, the certificate of amendment, the certificate of correction, the certificate of amendment of a certificate with a future effective date, the certificate of termination of a certificate with a future effective date, the certificate of cancellation or of any judicial decree of amendment or cancellation, the certificate of merger or consolidation, the restated certificate, the corrected certificate, the certificate of reregistration, the certificate of re-domiciliation, or the certificate of cancellation and reregistration, shall be delivered to the Registrar or the Deputy Registrar. A person who executes a certificate as an agent or fiduciary need not exhibit evidence of that person's authority as a prerequisite to filing. Any signature on any certificate authorized to be filed with the Registrar or the Deputy Registrar under any provision of this Act may be a facsimile, a conformed signature or an electronically transmitted signature. Upon delivery of any certificate, the Registrar or the Deputy Registrar shall record the date of its delivery. Unless the Registrar or the Deputy Registrar finds that any certificate does not conform to law, upon receipt of all filing fees required by law and, if applicable, any other documents required to be submitted to the Registrar or the Deputy Registrar simultaneously therewith, the Registrar or the Deputy Registrar shall:

(a) Certify that any certificate authorized to be filed under this Act, including the certificate of formation, the certificate of amendment, the certificate of correction, the certificate of amendment of a certificate with a future effective date, the certificate of termination of a certificate with a future effective date, the certificate of cancellation (or of any judicial decree of amendment or cancellation), the certificate of merger or consolidation, the restated certificate, the corrected certificate, the certificate of reregistration, the certificate of re-domiciliation, or the certificate of cancellation and reregistration, has been filed with the Registrar or the Deputy Registrar as required by this Act by endorsing the word "Filed" and the date of filing on the instrument; This endorsement is conclusive of the date of its filing in the absence of actual fraud. Except as provided in Section 14.2.6, such date of filing of a certificate shall be the date of delivery of the certificate;

(b) File and index the endorsed certificate; and

(c) Prepare and return to the person who filed it or that person's representative a copy of the signed certificate, similarly endorsed, and shall certify such copy as a true copy of the signed certificate.

2. *Application of Chapters 1 and 8*. The provisions of Sections 1.4, 1.5, 1.8, 1.10, 1.11, of this Title shall apply mutatis mutandis to a limited liability company as to a corporation. To the extent set forth therein, Chapter 8 of this Title shall apply to a limited liability company formed under Chapter 14 and a foreign limited liability company authorized to do business in Liberia.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.2.7. Notice.

The fact that a certificate of formation is on file in the office of the Registrar or the Deputy Registrar is notice that the entity formed in connection with the filing of the certificate of formation is a limited liability company formed under the laws of the Republic of Liberia and is notice for all other facts set forth therein which are required to be set forth in a certificate of formation by Section 14.2.1.1.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.2.8. Restated certificate.

1. *Application for restated certificate*. A limited liability company may, whenever desired, integrate into a single instrument all of the provisions of its certificate of formation which are then in effect and operative as a result of there having theretofore been filed with the Registrar or the Deputy Registrar one or more certificates or other instruments pursuant to Section 14.2.8, and it may at the same time also further amend its certificate of formation by adopting a restated certificate of formation.

2. If a restated certificate of formation merely restates and integrates but does not further amend the initial certificate of formation, as theretofore amended or supplemented by any instrument that was executed and filed pursuant to any of the sections in this subchapter, it shall

be specifically designated in its heading as a “Restated Certificate of Formation" together with such other words as the limited liability company may deem appropriate and shall be executed by an authorized person and filed as provided in Section 14.2.6 in the office of the Registrar or the Deputy Registrar. If a restated certificate restates and integrates and also further amends in any respect the certificate of formation, as theretofore amended or supplemented, it shall be specifically designated in its heading as an “Amended and Restated Certificate of Formation" together with such other words as the limited liability company may deem appropriate and shall be executed by at least one authorized person, and filed as provided in Section 14.2.6 in the office of the Registrar or the Deputy Registrar.

3. *Form of application*. A restated certificate of formation shall state, either in its heading or in an introductory paragraph, the limited liability company’s present name, and if it has been changed, the name under which it was initially filed, and the date of filing of its initial certificate of formation with the Registrar or the Deputy Registrar, and the future effective date (which shall be a date certain) of the restated certificate if it is not to be effective upon the filing of the restated certificate. A restated certificate shall also state that it was duly executed and is being filed in accordance with Section 14.2.8. If a restated certificate only restates and integrates and does not further amend a limited liability company's certificate of formation as theretofore amended or supplemented and there is no discrepancy between those provisions and the restated certificate, it shall state that fact as well.

4. *Former certificate superseded*. Upon the filing of a restated certificate of formation with the Registrar or the Deputy Registrar, or upon the future effective date or time of a restated certificate of formation as provided for therein, the initial certificate of formation, as theretofore amended or supplemented, shall be superseded; thenceforth, the restated certificate of formation, including any further amendment or changes made thereby, shall be the certificate of formation of the limited liability company, but the original effective date of formation shall remain unchanged.

5. Any amendment or change effected in connection with the restatement and integration of the certificate of formation shall be subject to any other provision of this Act, not inconsistent

with Section 14.2.8, which would apply if a separate certificate of amendment were filed to effect such amendment or change.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.2.9. Merger and consolidation.

1. *Power to merge or consolidate*. Two or more limited liability companies may merge into a single limited liability company, which may be any one of the constituent limited liability companies, or they may consolidate into a new limited liability company formed by the consolidation, pursuant to a plan of merger or consolidation, as the case may be, complying with and approved in accordance with Section 14.2.9.

2. *Plan of merger or consolidation*. The members of each domestic limited liability company proposing to participate in a merger or consolidation under Section 14.2.9 shall approve a plan of merger or consolidation setting forth:

(a) The name and jurisdiction of each constituent limited liability company, and if the name of any of them has been changed, the name under which it was formed; and the name of the surviving limited liability company, or the name, or the method of determining it, of the consolidated limited liability company;

(b) As to each constituent limited liability company, the designation and number of members, specifying the entitlement to vote;

(c) The terms and conditions of the proposed merger or consolidation, including the manner and basis of converting the membership contributions, rights and obligations of each member of each constituent limited liability company into limited liability company interests in the surviving or consolidated limited liability company, or the cash or other consideration to be paid or delivered in exchange for limited liability company interests in each constituent limited liability company, or combination thereof;

(d) In case of merger, a statement of any amendment in the certificate of formation of the surviving limited liability company to be effected by such merger; in case of

consolidation, all statements required to be included in a certificate of formation for a limited liability company formed under this Act, except statements as to facts not available at the time the plan of consolidation is approved; and

(e) Such other provisions with respect to the proposed merger or consolidation as the persons approving the merger or consolidation consider necessary or desirable.

3. *Authorization by members*. Unless otherwise provided in the limited liability company agreement, a merger or consolidation shall be approved by each domestic limited liability company which is to merge or consolidate by the members or, if there is more than one class or group of members, then by each class or group of members, in either case, by members who own more than fifty percent (50%) of the then current percentage or other interest in the profits of the domestic limited liability company owned by all of the members or by the members in each class or group, as appropriate. In connection with a merger or consolidation hereunder, rights or securities of, or interests in, a domestic limited liability company which is a constituent party to the merger or consolidation may be exchanged for or converted into cash, property, rights or securities of, or interests in, the surviving or resulting limited liability company or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, rights or securities of, or interests in, a limited liability company or other legal entity which is not the surviving or resulting limited liability company in the merger or consolidation. A limited liability company agreement may provide that a domestic limited liability company shall not have the power to merge or consolidate as set forth in Section 14.2.9.3.

4. *Certificate of merger or consolidation*. After approval of the plan of merger or consolidation, the certificate of merger or consolidation shall be executed by the surviving limited liability company. The certificate of merger shall set forth either:

(a) All of the following:

(i) The name of each of the constituent limited liability companies;

(ii) The date when the certificates of formation of each constituent limited liability companies was filed with the Registrar or the Deputy Registrar;

(iii) That a plan of merger or consolidation has been approved and executed by each of the constituent limited liability companies in accordance with Section 14.2.9;

(iv) The name of the surviving or consolidated limited liability company;

(v) In the case of a merger, such amendments or changes in the certificate of formation of the surviving limited liability company as are desired to be effected by the merger, or, if no such amendments or changes are desired, a statement that the certificate of formation of the surviving limited liability company shall be the certificate of the limited liability company;

(vi) In the case of a consolidation, that the certificate of formation of the consolidated limited liability company shall be as set forth in an attachment to the certificate of merger or consolidation;

(vii) That the executed plan of merger or consolidation is on file at an office of the surviving limited liability company; and

(viii) That a copy of the plan of merger or consolidation will be furnished by the surviving limited liability company on request and without cost, to any member of any constituent limited liability company; or,

(b) the certificate of merger may instead set forth all of the following:

(i) The plan of merger or consolidation, and, in case of consolidation, any statement required to be included in a certificate of formation for a limited liability company formed under this Act but which was omitted under Section 14.2.9.2(d);

(ii) The date when the certificates of formation of each constituent limited liability company was filed with the Registrar or the Deputy Registrar; and

(iii) The manner in which the merger or consolidation was authorized with respect to each constituent limited liability company.

5. *Filing of certificate of merger or consolidation*. The surviving or consolidated limited liability company shall execute and deliver a certificate of merger or consolidation to the Registrar or the Deputy Registrar and the certificate shall be filed in accordance with Section 14.2.1 and the provisions of Section 1.4 of this Title shall apply with the variation that execution shall be by any manager or member or other authorized person.

6. *Plan may be conditional*. Any of the terms of the plan of merger or consolidation may be made dependent upon facts ascertainable outside of such plan, provided that the manner in which such facts shall operate upon the terms of the plan is clearly and expressly set forth in the plan of merger or consolidation. The term "facts," as used in the preceding sentence, includes, but is not limited to, the occurrence of any event, including a determination or action by any person, body or legal entity, including the limited liability company.

7. *Plan of merger or consolidation may be terminated*. Any plan of merger or consolidation may contain a provision that at any time prior to the time that the certificate of merger or consolidation filed with the Registrar or the Deputy Registrar becomes effective in accordance with Section 1.4 of this Title, the plan may be terminated by any constituent limited liability company notwithstanding approval of the plan by the members of all or any of the constituent limited liability companies and in the event the plan of merger or consolidation is terminated after the filing of the certificate of merger or consolidation with the Registrar or the Deputy Registrar but before the plan has become effective, a certificate of termination of merger or consolidation shall be filed in accordance with Section 1.4 of this Title.

8. *Plan of merger or consolidation may be amended*. Any plan of merger or consolidation may contain a provision that any constituent limited liability company may amend the plan at any time prior to the time that the certificate of merger or consolidation filed with the Registrar or the Deputy Registrar becomes effective in accordance with Section 1.4 of this Title, provided that an amendment made subsequent to the adoption of the plan by the members of any constituent limited liability company shall not alter or change:

(a) The limited liability company interests to be received in exchange for or on conversion of all or any of the limited liability company interests of such constituent limited liability company;

(b) Any term of the certificate of formation of the surviving limited liability company to be effected by the merger or consolidation; or

(c) Any of the terms and conditions of the plan if such alteration or change would adversely affect the individual members of such constituent limited liability company, and in the event the plan of merger or consolidation is amended after the filing of the certificate of merger or consolidation with the Registrar or the Deputy Registrar but before the plan has become effective, a certificate of amendment of merger or consolidation shall be filed and the provisions of Section 1.4 of this Title shall apply with the variation that execution shall be by any manager or member or other authorized person.

9. *Liability of member of former limited liability company*. The personal liability, if any, of any member of a constituent limited liability company existing at the time of such merger or consolidation shall not thereby be extinguished, shall remain personal to such member and shall not become the liability of any subsequent transferee of any membership in such surviving or consolidated limited liability company or of any other member of such surviving or consolidated limited liability company.

10. *Application of Section 14.2.10*. The provisions of Section 14.2.10 shall apply to Section 14.2.9.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.2.10. Effect of merger or consolidation.

1. *When effective*. Upon the filing of the certificate of merger or consolidation with the Registrar or the Deputy Registrar or on such date subsequent thereto, not to exceed ninety (90) days, as shall be set forth in such certificate, the merger or consolidation shall be effective.

2. *Effects stated*. When such merger or consolidation has been effected:

(a) Such surviving or consolidated limited liability company shall thereafter consistently with its certificate of formation and limited liability company agreement as altered or established by the merger or consolidation, possess all the

rights, privileges, immunities, powers and purposes of each of the constituent limited liability companies;

(b) All the property, real and personal, including subscriptions to shares, causes of action and every other asset of each of the constituent limited liability companies, shall vest in such surviving or consolidated limited liability company without further act or deed;

(c) The surviving or consolidated limited liability company shall assume and be liable for all the liabilities, obligations and penalties of each of the constituent limited liability companies. No liability or obligation due or to become due, claim or demand for any cause existing against any such constituent limited liability company, or any member or manager thereof, shall be released or impaired by such merger or consolidation. No action or proceeding, whether civil or criminal, then pending by or against any such constituent limited liability company, or any member thereof, shall abate or be discontinued by such merger or consolidation, but may be enforced, prosecuted, settled or compromised as if such merger or consolidation had not occurred, or such surviving or consolidated limited liability company may be substituted in such action or special proceeding in place of any constituent limited liability company;

(d) In the case of a merger, the certificate of formation of the surviving limited liability company shall be automatically amended to the extent, if any, that changes in its certificate of formation are set forth in the plan of merger; and, in the case of a consolidation, the statements set forth in the certificate of consolidation and which are required or permitted to be set forth in the certificate of formation of a limited liability company formed under this Act, shall be its certificate of formation; and

(e) Unless otherwise provided in the certificate of merger or consolidation, the separate existence of a constituent limited liability company which is not the surviving limited liability company or the consolidated limited liability company

shall cease, but shall not be required to wind up its affairs or pay its liabilities and distribute its assets.

Effective: June 19, 2002.

§14.2.11. Merger or consolidation of limited liability company and other associations.

1. *Definitions*. In this section:

"***Association***" includes any association, having legal personality or registered as a legal entity under the laws of Liberia or elsewhere and whether formed by agreement or under statutory authority or otherwise, and includes a corporation, by whatever name described, limited liability company, limited partnership, partnership, foundation, or other legal entity, except a limited liability company to which Section 14.2.9 applies; and "***Shareholder***" includes every member of such an association or holder of a share or person having present or future direct financial or beneficial interest therein.

2. *Power to merge or consolidate*. One or more domestic limited liability companies may merge or consolidate with one or more associations, except an association formed under the laws of a jurisdiction which prohibits such merger or consolidation. Any such one or more limited liability companies and such one or more associations may merge into a single limited liability company or association, which may be any one of such constituent domestic limited liability companies or associations, or may consolidate into a new limited liability company or association established in Liberia or elsewhere, pursuant to a plan of merger or consolidation, as the case may be, complying with and approved in accordance with Section 14.2.11.

3. *Method in respect of constituent limited liability companies*. In the case of a domestic limited liability company the provisions of Section 14.2.9 shall apply with the variation that the plan of merger or consolidation of each constituent domestic limited liability company shall state:

(a) The manner of converting the limited liability company interests of the constituent domestic limited liability companies and the shares, memberships or financial or beneficial interests in the constituent associations into limited liability

company interests or shares, memberships or financial or beneficial interests of the surviving or consolidated limited liability company or association, as the case may be; and

(b) If any limited liability company interests in any constituent domestic limited liability company or shares, memberships or financial or beneficial interests in any constituent association are not to be converted solely into limited liability company interests of the surviving or consolidated limited liability company or shares, memberships or financial or beneficial interests in the surviving or consolidated association, the cash or other consideration to be paid or delivered in exchange for member interests and, in the case of a constituent association, in exchange for shares, memberships or financial or beneficial interests in the association, as the case may be.

4. *Additional matters in respect of surviving or consolidated foreign associations*. The plan of merger or consolidation shall set forth such other matters or provisions as shall then be required to be set forth in instruments by which an association is organized in the laws of the jurisdiction which are stated in the plan to be the laws which shall govern a surviving or consolidated association and that can be stated in the case of a merger or consolidation.

5. (1) *Method in respect of constituent associations and surviving or consolidated associations organized in Liberia*. The plan of merger or consolidation required by Section 14.2.11 shall be approved and executed by each constituent association organized or registered in Liberia. After approval of the plan of merger or consolidation, a certificate of merger or consolidation shall be executed by the surviving limited liability company or association and filed with the Registrar or Deputy Registrar and shall set forth:

(a) The name of each of the constituent limited liability companies and associations;

(b) The date when the certificates of formation, articles of incorporation, constitution (or equivalent) of each constituent limited liability company or association was filed with the Registrar or the Deputy Registrar or relevant foreign jurisdiction;

(c) That a plan of merger or consolidation has been approved and executed by each of the constituent limited liability companies and associations in accordance with Section 14.2.11;

(d) The name and jurisdiction of organization of the surviving or consolidated limited liability company or association;

(e) In the case of a merger where the domestic limited liability company survives, such amendments or changes in the certificate of formation of the surviving limited liability company as are desired to be effected by the merger, or, if no such amendments or changes are desired, a statement that the certificate of formation of the surviving limited liability company shall be the certificate of the limited liability company;

(f) In the case of a consolidation where the domestic limited liability company survives, that the certificate of formation of the consolidated limited liability company shall be as set forth in an attachment to the certificate of merger or consolidation;

(g) In the case of merger or consolidation where the domestic limited liability company survives, that the executed plan of merger or consolidation is on file at an office of the surviving limited liability company; and

(h) That a copy of the plan of merger or consolidation will be furnished by the surviving limited liability company or association on request and without cost, to any member of any constituent limited liability company or association.

(2) In lieu of the certificate of merger containing the information set forth above, the surviving limited liability company or association may instead file a certificate of merger that sets forth:

(a) The plan of merger or consolidation, and, in case of consolidation where the domestic limited liability company survives, any statement required to be included in a certificate of formation for a limited liability company formed under this Act but which was omitted under Section 14.2.9.2(d);

(b) The date when the certificates of formation, articles of incorporation, constitution (or equivalent) of each constituent limited liability company or association was filed with the Registrar or the Deputy Registrar or relevant foreign jurisdiction, and the name of the foreign jurisdiction; and

(c) The manner in which the merger or consolidation was authorized with respect to each constituent limited liability company and association.

6. *Method to be followed by constituent and surviving or consolidated foreign associations*. Each constituent and each surviving or consolidated foreign association shall comply with the applicable laws of the jurisdiction under which it is organized.

7. *Additional filing where surviving or consolidated association governed by laws of another jurisdiction*. If the surviving or consolidated association is to be governed by the laws of any jurisdiction other than Liberia, it shall comply with the provisions of this Act with respect to foreign entities if it is to transact business in Liberia, and in every case it shall file with the Registrar or the Deputy Registrar:

(a) An irrevocable notice of consent that it may be served with process in Liberia in any proceeding for the enforcement of any obligation of any domestic limited liability company which is a party to such merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting member of any such limited liability company against the surviving or consolidated association;

(b) An irrevocable appointment of the Minister of Foreign Affairs as its agent to accept service of process in any such proceeding;

(c) An undertaking that it will promptly pay to the dissenting member of any domestic limited liability company the amount, if any, to which they shall be entitled under the provisions of this Act or the plan of merger; and

(d) Notice executed in accordance with Section 1.4 of this Title by any officer or other authorized signatory of the surviving or consolidated association that the

merger or consolidation is effective in the other jurisdiction and specifying the competent authority in that jurisdiction.

8. *Effect*. The effect of a merger or consolidation under Section 14.2.11 and having one or more foreign constituent associations shall be the same as in the case of the merger or consolidation of limited liability companies with associations organized or registered in Liberia if the surviving or consolidated limited liability company or association is to be governed by the laws of Liberia. If the surviving or consolidated association is to be governed by the laws of any jurisdiction other than Liberia, the effect of such merger or consolidation shall be the same as in the case of merger or consolidation of limited liability companies with associations organized or registered in Liberia except insofar as the laws of such other jurisdiction provide otherwise.

9. *Effective date*. The effective date of a merger or consolidation in cases where the surviving or consolidated association is to be governed by the laws of any jurisdiction other than Liberia shall be determined by the filing requirements and laws of such other jurisdiction.

10. *Liability of member of former limited liability company*. The personal liability, if any, of any member of a domestic limited liability company existing at the time of such merger or consolidation shall not thereby be extinguished, shall remain personal to such member and shall not become the liability of any subsequent member or shareholder of any surviving or consolidated limited liability company or association or of any other member or shareholder of such surviving or consolidated limited liability company or association.

11. A limited liability company agreement may provide that a domestic limited liability company shall not have the power to merge or consolidate as set forth in Section 14.2.11.

12. In any case in which (i) at least ninety percent (90%) of the outstanding shares of each class of the stock of a corporation or corporations of which class there are outstanding shares that, absent Sections 10.3 or 10.5.4 of this Title, would be entitled to vote on such merger, is owned by a domestic limited liability company, (ii) one or more of such corporations is a Liberian corporation, and (iii) any corporation that is not a Liberian corporation is a corporation of any other jurisdiction, the laws of which do not prohibit such merger, the domestic limited liability company having such stock ownership may either merge the corporation or corporations

into itself and assume all of its or their obligations, or merge itself, or itself and one or more of such corporations, into one of the other corporations, pursuant to a plan of merger. If a domestic limited liability company is causing a merger under Section 14.2.11, the domestic limited liability company shall file a certificate of merger or consolidation executed by at least one member or other authorized person on behalf of the domestic limited liability company in the Registrar. The certificate of merger or consolidation shall certify that such merger was authorized in accordance with the domestic limited liability company's limited liability company agreement and this Act, and if the domestic limited liability company shall not own all the outstanding stock of all the corporations that are parties to the merger, shall state the terms and conditions of the merger, including the securities, cash, property, or rights to be issued, paid, delivered or granted by the surviving domestic limited liability company or corporation upon surrender of each share of the corporation or corporations not owned by the domestic limited liability company, or the cancellation of some or all of such shares. The terms and conditions of the merger may not result in a holder of stock in a corporation becoming a member in a surviving domestic limited liability company. If a corporation surviving a merger under Section 14.2.11 is not a Liberian corporation, then the terms and conditions of the merger shall obligate such corporation to agree that it may be served with process in Liberia in any proceeding for enforcement of any obligation of the domestic limited liability company or any obligation of any constituent Liberian corporation, as well as for enforcement of any obligation of the surviving corporation, including any suit or other proceeding to enforce the right of any shareholders as determined in appraisal proceedings, and to irrevocably appoint the Minister of Foreign Affairs as its agent to accept service of process in any such suit or other proceedings, and to specify the address to which a copy of such process shall be mailed or delivered by the Minister of Foreign Affairs.

Effective: June 19, 2002.

§14.2.12. Power of limited liability company to re-domicile into Liberia.

1. *Application of section*. This Section 14.2.12 shall apply to a limited liability company or other legal entity, in Section 14.2.12 referred to as a "limited liability company", established outside Liberia which re-domiciles into Liberia as a domestic limited liability company.

2. *Eligibility to apply to establish domicile in Liberia as a Liberian limited liability company*. A limited liability company domiciled outside Liberia may, if not prohibited to do so by its constitutional documents, apply to establish domicile in Liberia as a domestic limited liability company. The re-domiciliation shall be approved in the manner provided for by the constitutional documents of the limited liability company seeking to establish domicile in Liberia and the conduct of its business and by applicable non-Liberian law, as appropriate, and a certificate of formation shall be approved by the same authorization required to approve the re-domiciliation.

3. *Filing requirements to establish domicile in Liberia as a Liberian limited liability company*. A limited liability company seeking to establish domicile in Liberia as a Liberian limited liability company shall file with the Registrar or the Deputy Registrar:

(a) A certificate of re-domiciliation setting out:

(i) The name of the limited liability company, and, if the name has been changed, the name with which the limited liability company was established, and the name, if different, under which re-domiciliation as a domestic limited liability company is sought;

(ii) The date of establishment of the limited liability company, and if registered, the date of registration;

(iii) The jurisdiction of establishment of the limited liability company;

(iv) The date on which it is proposed to re-domicile as a domestic limited liability company;

(v) That the re-domiciliation has been approved in accordance with the relevant law and the constitutional documents of the limited liability company;

(vi) Confirmation by the members or equivalent, or other authorized persons of the limited liability company that at the date of re-domiciliation as a domestic limited liability company the limited liability company will have

done in the jurisdiction in which it was established everything required by the relevant legislation of that jurisdiction preparatory to re-domiciliation in another jurisdiction and that the limited liability company will cease to be a limited liability company domiciled in that jurisdiction;

(vii) Confirmation by the members or equivalent or other authorized persons of the limited liability company that no proceedings for insolvency or dissolution have been commenced with respect to the limited liability company in the jurisdiction in which it is established; and

(viii) Such other provisions with respect to the proposed re-domiciliation as a domestic limited liability company as the members or equivalent or other authorized persons consider necessary or desirable.

(b) A certificate of good standing in respect of the limited liability company issued by the competent authority in the jurisdiction in which the limited liability company is established or other evidence to the satisfaction of the Registrar or the Deputy Registrar that the limited liability company is in compliance with registration requirements of that jurisdiction;

(c) Any amendments to the constitutional documents of the limited liability company that are to take effect on the registration of the limited liability company as a domestic limited liability company so that the constitutional documents accord with this Act;

(d) A certificate of formation in accordance with Section 14.2.1 which is to be the certificate of formation of the domestic limited liability company;

(e) The name and address of the registered agent in Liberia and the agent's acceptance of the appointment,

(f) Where in Section 14.2.12 there is reference to the jurisdiction in which the limited liability company is established, that reference shall, in respect of a limited

liability company domiciled in a jurisdiction other than that in which it was is established, be read to mean the jurisdiction of domicile; and

(g) The provisions of Sections 1.4.1 to 1.4.6 and 1.4.8 of this Title shall apply, with the variation that execution shall be by a member or manager or other authorized person.

4. *Name of limited liability company on re-domiciliation*. The provisions of Section 14.1.2 of this Act shall apply in respect of the name in which a limited liability company may apply to re-domicile as a domestic limited liability company.

5. *Re-domiciliation in Liberia*. The Registrar or the Deputy Registrar shall, if he is satisfied that the requirements of this Act in respect of re-domiciliation as a domestic limited liability company have been met, certify that the limited liability company has established domicile in Liberia and has existence as the Liberian limited liability company specified in the documents supplied in compliance with Section 14.2.12.3, in accordance with those documents on the date of the issue of the certificate, or, in case of a certificate to which Section 14.2.12.6 applies, on the specified date.

6. *Deferred date of re-domiciliation*. Notwithstanding Section 1.4.7(c) of this Title, where, at the time of the making of an application under Section 14.2.12.3, the limited liability company applying for re-domiciliation as a domestic limited liability company has specified a date, which is referred to as "the specified date" in Section 14.2.12, no later than one (1) year after the date of the making of the application as the date of re-domiciliation, the certificate issued by the Registrar or the Deputy Registrar shall show the specified date as the date of re-domiciliation.

7. *Status of a certificate of re-domiciliation*. A certificate given by the Registrar or the Deputy Registrar in accordance with Section 14.2.12.5 in respect of any re-domiciled limited liability company shall be:

(a) Conclusive evidence that all the requirements of this Act in respect of that re-domiciliation, and matters precedent and incidental thereto, have been complied with and that the limited liability company is authorized to be so re-domiciled;

(b) Valid for a period of one (1) year from the date of the issue of the certificate or, in case of a certificate to which Section 14.2.12.6 applies, from the specified date, unless endorsed in accordance with Section 14.2.12.9.

8. *Obligation to amend the limited liability company agreement of the limited liability company*. If, at the time of the issue by the Registrar or the Deputy Registrar of the certificate of re-domiciliation in accordance with Section 14.2.12.5, any provisions of the constitutional documents of the limited liability company do not, in any respect, accord with this Act:

(a) The constitutional documents of the limited liability company shall continue to govern the re-domiciled limited liability company until:

(i) The certificate of formation complying with this Act is in effect; or

(ii) The expiration of a period of one (1) year immediately following the date of the issue of that certificate of re-domiciliation or, in case of a certificate to which 14.2.12.6 applies, one (1) year immediately following the specified date; and

(b) Any provisions of the constitutional documents of the limited liability company that are in any respect in conflict with this Act cease to govern the re-domiciled limited liability company when the certificate of formation in accordance with this Act is in effect.

9. *Endorsement of certificate of re-domiciliation*. Where:

(a) At the date of the issue of a certificate of re-domiciliation or at any time thereafter within a period of one (1) year immediately following the date of the issue of that certificate; or

(b) In the case of a certificate to which Section 14.2.12.6 applies, at the specified date or at any time thereafter within a period of one (1) year immediately following that date, the Registrar or the Deputy Registrar is satisfied that:

(c) The re-domiciled limited liability company has ceased to be a limited liability company under the relevant provisions of the law under which it was established; and

(d) The certificate of formation accords in all respects with this Act,

he may, on the application of the re-domiciled limited liability company to which the certificate of re-domiciliation has been issued endorse that certificate to the effect that the re-domiciled limited liability company is from the date of the endorsement to be deemed to be re-domiciled and in existence in Liberia under this Act and that shall be the effective date of re-domiciliation and the provisions of Section 1.4.7 shall apply.

10. *Failure to complete re-domiciliation and registration*. If, by a date one (1) year immediately following the date of the issue of a certificate of re-domiciliation in accordance with Section 14.2.12.5 or, in the case of a certificate to which Section 14.2.12.6 applies, following the specified date, the re-domiciled limited liability company has not satisfied the Registrar or the Deputy Registrar that:

(a) it has ceased to be a limited liability company under the relevant provisions of the law in the jurisdiction in which it was established; and

(b) The certificate of formation accords in all respects with this Act and the objects of the limited liability company as a domestic limited liability company the Registrar or the Deputy Registrar shall revoke the certificate issued under Section 14.2.12.5; and

(c) That certificate and any re-domiciliation under Section 14.2.12 shall be of no further force or effect; and

(d) The Registrar or the Deputy Registrar shall strike the re-domiciled limited liability company from the register.

11. *Effect of re-domiciliation*. With effect from the date of the endorsement of a certificate of re-domiciliation:

(a) The domestic limited liability company to which the certificate relates:

(i) Is a limited liability company re-domiciled and deemed to be formed in Liberia under this Act and having as its existence date the date on which it was established in another jurisdiction; and

(ii) Shall be a limited liability company formed in Liberia for the purpose of any other law;

(b) The certificate of formation of the limited liability company as filed in accordance with Section 14.2.12.3(d) is the certificate of formation of the domestic limited liability company;

(c) The property of every description and the business of the limited liability company are vested in the domestic limited liability company;

(d) The domestic limited liability company is liable for all of the claims, debts, liabilities and obligations of the limited liability company;

(e) No conviction, judgment, ruling, order, debt, liability or obligation due or to become due and no cause existing against the limited liability company or against any member, manager or agent thereof is thereby released or impaired;

(f) No proceedings whether civil or criminal pending at the time of the endorsement by the Registrar or the Deputy Registrar of the certificate of re-domiciliation by or against the limited liability company or against any member or manager or agent thereof are thereby abated or discontinued, but the proceedings may be enforced, prosecuted, settled or compromised by or against the domestic limited liability company or against the member, manager or agent thereof, as the case may be;

(g) Unless otherwise provided in the resolution approving the re-domiciliation, the limited liability company re-domiciling as a domestic limited liability company shall not be required to wind up its affairs or pay its liabilities and distribute its assets, and the re-domiciliation shall constitute a continuation of the existence of

the re-domiciling limited liability company as the domestic limited liability company and shall not:

(i) Constitute a dissolution of the limited liability company;

(ii) Create a new legal entity; or

(iii) Prejudice or affect the continuity of the domestic limited liability company as a re-domiciled limited liability company.

Effective: June 19, 2002.

§14.2.13. Power of limited liability company to re-domicile out of Liberia.

1. *Application of section*. This Section 14.2.13 shall apply to a domestic limited liability company formed or deemed to be formed in Liberia which re-domiciles into another jurisdiction.

2. *Eligibility to apply to establish domicile in another jurisdiction*. A domestic limited liability company may, if not prohibited to do so by its certificate of formation or limited liability company agreement, apply to establish domicile outside Liberia in another jurisdiction. If the limited liability company agreement specifies the manner of authorizing a re-domiciliation of the limited liability company, the re-domiciliation shall be authorized as specified in the limited liability company agreement. If the limited liability company agreement does not specify the manner of authorizing a re-domiciliation of the limited liability company and does not prohibit a re-domiciliation of the limited liability company, the re-domiciliation shall be authorized in the same manner as is specified in the limited liability company agreement for authorizing a merger or consolidation that involves the limited liability company as a constituent party to the merger or consolidation. If the limited liability company agreement does not specify the manner of authorizing a re-domiciliation of the limited liability company or a merger or consolidation that involves the limited liability company as a constituent party and does not prohibit a re-domiciliation of the limited liability company, the re-domiciliation shall be authorized by the approval by members who own more than fifty percent (50%) of the then current percentage or other interest in the profits of the domestic limited liability company or, if there is more than one class or group of members, then by each class or group of members, in either case, by members

who own more than fifty percent (50%) of the then current percentage or other interest in the profits of the domestic limited liability company owned by all of the members or by the members in each class or group, as appropriate. A limited liability company agreement may provide that a domestic limited liability company shall not have the power to re-domicile as set forth in Section 14.2.13.

3. *Application to establish domicile in another jurisdiction*. An application by a domestic limited liability company to establish domicile outside Liberia in another jurisdiction and to cease to be a domestic limited liability company shall be made to the Registrar or the Deputy Registrar in the form prescribed by him and shall be accompanied by the filing of:

(a) A certificate of re-domiciliation setting out:

(i) The name of the Liberian limited liability company, and, if the name has been changed, the name with which the Liberian limited liability company was established, and the name, if different, under which registration as a re-domiciled limited liability company is sought;

(ii) The date of existence of the Liberian limited liability company;

(iii) The jurisdiction to which the domestic limited liability company proposes to re-domicile;

(iv) The date on which the domestic limited liability company proposes to re-domicile;

(v) The address for service of the limited liability company in the jurisdiction of re-domiciliation;

(vi) That the proposed re-domiciliation has been approved in accordance with the relevant law and the certificate of formation and limited liability company agreement of the domestic limited liability company;

(vii) Confirmation by the members, or by any officer or other authorized signatory, of the domestic limited liability company that at the date of re-

domiciliation the domestic limited liability company will have done everything required by this Act preparatory to re-domiciliation in another jurisdiction and that, on re-domiciliation in the other jurisdiction, the domestic limited liability company will cease to be a limited liability company domiciled in Liberia;

(viii) Confirmation by the members or other authorized persons of the limited liability company that no proceedings for insolvency or dissolution have been commenced in Liberia with respect to the limited liability company; and

(ix) Such other provisions with respect to the proposed re-domiciliation as the members or other authorized persons consider necessary or desirable;

(b) A certificate of good standing in respect of the domestic limited liability company issued by the Registrar or the Deputy Registrar;

(c) The address of the registered agent in Liberia which shall be retained during the period of one year or such longer period until the domestic limited liability company has been deemed to be a limited liability company domiciled in the other jurisdiction, and evidence of acceptance of the appointment by the registered agent; and

(d) Any amendments to the certificate of formation that are to take effect on the registration of the re-domiciled limited liability company in the other jurisdiction, and the provisions of Sections 1.4.1 to 1.4.6 and 1.4.8 of this Title shall apply, with the variation that execution shall be by any officer or other authorized signatory.

4. *Consent to establish domicile in another jurisdiction*. The Registrar or the Deputy Registrar shall, if he is satisfied that the requirements of this Act in respect of re-domiciliation to another jurisdiction have been met:

(a) Certify that the domestic limited liability company is permitted to establish domicile in the jurisdiction specified in the documents supplied in compliance with Section 14.2.13.3, in accordance with those documents, and that it may cease to be registered in Liberia on the date of the issue of the certificate, or, in case of a certificate to which Section 14.2.13.5 applies, on the specified date;

(b) Enter in the index kept for this purpose in respect of a domestic limited liability company to which a certificate has been issued under this paragraph the fact of the issue of the certificate, and Section 1.4.7 shall apply.

5. *Deferred date of re-domiciliation*. Notwithstanding Section 1.4.7(c) of this Title, where, at the time of making an application under Section 14.2.13.3, the domestic limited liability company applying for re-domiciliation has specified a date, which is referred to as "the specified date" in Section 14.2.13, no later than one (1) year after the date of the making of the application as the date of re-domiciliation, the certificate issued by the Registrar or the Deputy Registrar shall show the specified date as the date of re-domiciliation.

6. *Status of a certificate of re-domiciliation*. A certificate given by the Registrar or the Deputy Registrar in accordance with Section 14.2.13.4(a) in respect of any domestic limited liability company shall be:

(a) Conclusive evidence that all the requirements of this Act in respect of that re-domiciliation, and matters precedent and incidental thereto, have been complied with and that the limited liability company is authorized to be so re-domiciled;

(b) Valid for a period of one (1) year from the date of the issue of the certificate or, in case of a certificate to which Section 14.3.13.5 applies, from the specified date, unless endorsed in accordance with Section 14.3.13.7.

7. *Endorsement of certificate*. Where:

(a) At the date of the issue of a certificate of re-domiciliation or at any time thereafter within a period of one (1) year immediately following the date of the issue of that certificate; or

(b) In the case of a certificate to which Section 14.3.13.5 applies, at the specified date or at any time thereafter within a period of one (1) year immediately following that date, the Registrar or the Deputy Registrar is satisfied, by the service on him of a certificate of continuation executed by the governing body of the re-domiciled limited liability company, that the limited liability company has become a limited liability company under the relevant provisions of the law in the jurisdiction specified in the certificate of re-domiciliation, he may endorse the certificate to which Section 14.2.13.4(a) or Section 14.2.13.5 applies to the effect that the limited liability company is from the date of the endorsement to be deemed to be re-domiciled and no longer registered in Liberia under this Act and that shall be the effective date of re-domiciliation.

8. *Failure to complete re-domiciliation.* If, by a date one (1) year immediately following the date of the issue of a certificate in accordance with Section 14.2.13.4(a) or, in the case of a certificate to which Section 14.2.13.5 applies, following the specified date, the domestic limited liability company has not satisfied the Registrar or the Deputy Registrar that it has become a limited liability company under the relevant provisions of the law in the jurisdiction to which it proposed to re-domicile, the Registrar or the Deputy Registrar shall revoke the certificate issued under Section 14.2.13.4(a), and:

(a) That certificate and any re-domiciliation under Section 14.2.13 shall be of no further force or effect; and

(b) The domestic limited liability company shall continue as a domestic limited liability company in Liberia under the provisions of this Act.

9. *Effect of re-domiciliation*. With effect from the date of the endorsement of a certificate of re-domiciliation:

(a) The limited liability company to which the certificate relates shall cease to be a domestic limited liability company registered in Liberia under this Act; and

(b) The certificate of formation of the re-domiciled limited liability company (or other constitutional documents of the limited liability company), as amended by

the resolution or equivalent document establishing domicile in the other jurisdiction, is the certificate of formation of the re-domiciled limited liability company;

(c) The property of every description and the business of the domestic limited liability company are vested in the re-domiciled limited liability company;

(d) The re-domiciled limited liability company is liable for all of the claims, debts, liabilities and obligations of the domestic limited liability company;

(e) No conviction, judgment, ruling, order, debt, liability or obligation due or to become due and no cause existing against the domestic limited liability company or against any member, manager or agent thereof is thereby released or impaired;

(f) No proceedings whether civil or criminal pending at the time of the endorsement by the Registrar or the Deputy Registrar of the certificate of re-domiciliation by or against the domestic limited liability company or against any member, manager or agent thereof are thereby abated or discontinued, but the proceedings may be enforced, prosecuted, settled or compromised by or against the re-domiciled limited liability company or against the member, manager or agent thereof, as the case may be;

(g) Unless otherwise provided in the resolution approving the re-domiciliation, the domestic limited liability company re-domiciling as a re-domiciled limited liability company in another jurisdiction shall not be required to wind up its affairs or pay its liabilities and distribute its assets, and the re-domiciliation shall constitute a continuation of the existence of the re-domiciling limited liability company and shall not:

(i) Constitute a dissolution of the domestic limited liability company;

(ii) Create a new legal entity; or

(iii) Prejudice or affect the continuity of the re-domiciled limited liability company.

10. *Index of domestic limited liability companies re-domiciled to another jurisdiction*. The Registrar or the Deputy Registrar shall maintain an index of domestic limited liability companies in respect of which a certificate issued in accordance with Section 14.2.13.4(a) is in force and in that index shall record the name in which the limited liability company is re-domiciled in the other jurisdiction and the address for service of the limited liability company in that jurisdiction, and whether the limited liability company has ceased to be registered under this Act in accordance with Section 14.2.13.7.

Effective: June 19, 2002.

§14.2.14. Reregistration of another entity as a limited liability company.

1. *Power to reregister*. A corporation, a limited partnership, a partnership, a private foundation, or any other legal entity existing under the laws of Liberia (in this Section 14.2.14 referred to as a "legal entity") may, if not prohibited to do so by its constitutional documents, apply to reregister as a domestic limited liability company. The reregistration shall be approved in the manner provided for by the constitutional documents of the legal entity and the conduct of its business and by applicable laws of Liberia, as appropriate, and the certificate of formation shall be approved by the same authorization required to approve the reregistration.

2. *Application to reregister as a domestic limited liability company*. An application by a legal entity to reregister as a domestic limited liability company shall be made to the Registrar or the Deputy Registrar in the form prescribed by him and shall be accompanied by the filing of:

(a) A certificate or reregistration setting out:

(i) The name of the legal entity, and, if the name has been changed, the name with which the legal entity was formed, and the name, if different, under which reregistration as a reregistered and continued limited liability company is sought;

(ii) The date of formation of the legal entity;

(iii) The relevant laws of Liberia under which the legal entity has its existence;

(iv) The date on which it is proposed to reregister;

(v) That the reregistration has been approved in accordance with the relevant laws of Liberia and the constitutional documents of the legal entity;

(vi) Such other provisions with respect to the proposed reregistration as the governing body of such legal entity considers necessary or desirable.

(b) If the Registrar or Deputy Registrar so requests, a copy of the resolution or other instrument of the legal entity resolving to cancel and reregister as a domestic limited liability company, approved in the manner prescribed by the constitutional documents of the legal entity which shall specify:

(i) That the entity shall be reregistered as a domestic limited liability company;

(ii) The proposed name of the reregistered domestic limited liability company if different from the present name of the legal entity;

(iii) The method of converting shareholding and membership interests, partners' contributions, or shareholding and membership interests, or assets, or capital, as the case may be, into contributions of the reregistered domestic limited liability company;

(iv) Who shall be members and the interests of each and who shall be the manager;

(v) Such other provisions with respect to the proposed reregistration as, in the case of:

i) A corporation, the directors or other governing body;

ii) A limited partnership, the general partners;

iii) A foundation, the governing bodies;

iv) Any other legal entity, the governing body, considers necessary or desirable;

(c) A certificate of good standing in respect of the legal entity;

(d) Any amendments to the constitutional documents of the legal entity that are to take effect on the reregistration as a domestic limited liability company;

(e) A certificate of formation in accordance with Section 14.2.1;

(f) The name and address of the registered agent in Liberia and the agent's acceptance of the appointment, and the provisions of Section 1.4 shall apply with the variation that execution shall be by any officer, manager, partner, director, trustee or other person performing in relation to that legal entity the function of an authorized person.

3. *Name of limited liability company on reregistration*. The provisions of Sections 14.1.2 and 14.1.3 shall apply in respect of the name under which the legal entity may apply to reregister as a domestic limited liability company.

4. *Reregistration and continuation as a limited liability company*. The Registrar or the Deputy Registrar shall, if he is satisfied that the requirements of this Act in respect of reregistration as a domestic limited liability company have been met, register the legal entity as a limited liability company and certify that it is registered and continued as the limited liability company specified in the documents supplied in compliance with Section 14.2.14.2, in accordance with those documents, on the date of the issue of the certificate, or, in the case of a certificate to which Section 14.2.14.5 applies, on the specified date.

5. *Deferred date of reregistration*. Notwithstanding Section 1.4.7(c) of this Title, where, at the time of the making of an application under paragraph 2, the legal entity applying for reregistration as a limited liability company has specified a date, which is referred to as "the specified date" in Section 14.2.14, no later than one (1) year after the date of the making of the application as the date of reregistration, the certificate issued by the Registrar or the Deputy Registrar shall show the specified date as the date of reregistration.

6. *Status of a certificate of reregistration*. A certificate given by the Registrar or the Deputy Registrar in accordance with Section 14.2.14.4 in respect of any legal entity reregistered as a domestic limited liability company shall be:

(a) Conclusive evidence that all the requirements of this Act in respect of that reregistration, and matters precedent and incidental thereto, have been complied with and that the legal entity is authorized to be so reregistered;

(b) Valid for a period of one (1) year from the date of the issue of the certificate or, in case of a certificate to which Section 14.2.14.5 applies, from the specified date, unless endorsed in accordance with Section 14.2.14.8.

7. *Obligation to amend instrument constituting or defining the constitution of the legal entity*. If, at the time of the issue by the Registrar or the Deputy Registrar of the certificate of reregistration in accordance with Section 14.2.14.4, any provisions of the constitutional documents of the legal entity do not, in any respect, accord with the requirements of this Act:

(a) The constitutional documents of the legal entity shall continue to govern the reregistered domestic limited liability company until:

(i) A certificate of formation complying with this Act is in effect; or

(ii) The expiration of a period of one (1) year immediately following the date of the issue of that certificate or, in case of a certificate to which Section 14.2.14.5 applies, one (1) year immediately following the specified date; and

(b) Any provisions of the constitutional documents of the legal entity that are in any respect in conflict with this Act cease to govern the domestic limited liability company when the certificate of formation in accordance with this Act is in effect.

8. *Endorsement of certificate*. Where:

(a) At the date of the issue of a certificate of reregistration or at any time thereafter within a period of one (1) year immediately following the date of the issue of that certificate; or

(b) In the case of a certificate to which Section 14.2.14.5 applies, at the specified date or at any time thereafter within a period of one (1) year immediately following that date, the Registrar or the Deputy Registrar is satisfied that:

(c) The legal entity has ceased to be a legal entity under the relevant provisions of the law under which it was established; and

(d) The certificate of formation according in all respects with this Act and the objects of the limited liability company, he may, on the application of the domestic limited liability company to which the certificate has been issued, endorse that certificate to the effect that the domestic limited liability company is from the date of the endorsement to be deemed to be reregistered under this Act and that shall be the effective date of reregistration and the provisions of Sections 14.2.6 and 1.4.7 of this Title shall apply.

9. *Failure to complete reregistration*. If, by a date one (1) year immediately following the date of the issue of a certificate in accordance with Section 14.2.14.4 or, in the case of a certificate to which Section 14.2.14.5 applies, following the specified date, the legal entity has not satisfied the Registrar or the Deputy Registrar that:

(a) It has ceased to be a legal entity under the relevant provisions of the law under which it was established; and

(b) The certificate of formation accords in all respects with this Act and the objects of the limited liability company, the Registrar or the Deputy Registrar shall revoke the certificate issued under Section 14.2.14.4; and

(c) That certificate and any reregistration under Section 14.2.14 shall be of no further force or effect; and

(d) The Registrar or the Deputy Registrar shall strike the limited liability company from the register.

10. *Effect of reregistration*. With effect from the date of the endorsement of a certificate of reregistration:

(a) The reregistered limited liability company to which the certificate relates:

(i) Is a limited liability company reregistered and continued and deemed to be registered under this Act and having as its existence date the date on which it was established under the other relevant law, or in another jurisdiction, as the case may be; and

(ii) Shall be a limited liability company registered in Liberia for the purpose of any other Law;

(b) The certificate of formation as filed in accordance with Section 14.2.14.2(d) is the certificate of the limited liability company;

(c) The property of every description and the business of the legal entity are vested in the domestic limited liability company;

(d) The domestic limited liability company is liable for all of the claims, debts, liabilities and obligations of the legal entity;

(e) No conviction, judgment, ruling, order, debt, liability or obligation due or to become due and no cause existing against the legal entity or against any officer, director, or agent thereof is thereby released or impaired;

(f) No proceedings whether civil or criminal pending at the time of the endorsement by the Registrar or the Deputy Registrar of the certificate of reregistration by or against the legal entity or against any officer, director or agent thereof are thereby abated or discontinued, but the proceedings may be enforced, prosecuted, settled or compromised by or against the limited liability company or against the members, managers or agents thereof, as the case may be;

(g) Unless otherwise provided in the resolution approving the reregistration, the legal entity reregistering as the domestic limited liability company shall not be required to wind up its affairs or pay its liabilities and distribute its assets, and the reregistration shall constitute a continuation of the existence of the reregistered legal entity as the domestic limited liability company and shall not:

(i) Constitute a dissolution of the legal entity;

(ii) Create a new legal entity; or

(iii) Prejudice or affect the continuity of the legal entity as a domestic limited liability company.

11. In connection with a reregistration hereunder, rights or securities of, or interests in, the other legal entity which is to be reregistered to a Liberian limited liability company may be exchanged for or converted into cash, property, or limited liability company interests, rights or securities of such Liberian limited liability company or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, or limited liability company interests, rights or securities of or interests in another domestic limited liability company or other legal entity or may be cancelled.

Effective: June 19, 2002.

§14.2.15. Series of members, managers, limited liability company interests or assets.

1. A limited liability company agreement may establish or provide for the establishment of one or more designated series of members, managers, limited liability company interests or assets. Any such series may have separate rights, powers or duties with respect to specified property or obligations of the limited liability company or profits and losses associated with specified property or obligations, and any such series may have a separate business purpose or investment objective.

2. Notwithstanding anything to the contrary set forth in this Act or under other applicable law, in the event that a limited liability company agreement establishes or provides for the establishment of one or more series, and if the records maintained for any such series account for

the assets associated with such series separately from the other assets of the limited liability company, or any other series thereof, and if the limited liability company agreement so provides, and if notice of the limitation on liabilities of a series as referenced in Section 14.2.15.2 is set forth in the certificate of formation of the limited liability company, then the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to a particular series shall be enforceable against the assets of such series only, and not against the assets of the limited liability company generally or any other series thereof, and, unless otherwise provided in the limited liability company agreement, none of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the limited liability company generally or any other series thereof shall be enforceable against the assets of such series. Neither the preceding sentence nor any provision pursuant thereto in a limited liability company agreement or certificate of formation shall (i) restrict a series or limited liability company on behalf of a series from agreeing in the limited liability company agreement or otherwise that any or all of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the limited liability company generally or any other series thereof shall be enforceable against the assets of such series or (ii) restrict a limited liability company from agreeing in the limited liability company agreement or otherwise that any or all of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to a series shall be enforceable against the assets of the limited liability company generally. Assets associated with a series may be held directly or indirectly, including in the name of such series, in the name of the limited liability company, through a nominee or otherwise. Records maintained for a series that reasonably identify its assets, including by specific listing, category, type, quantity, computational or allocational formula or procedure (including a percentage or share of any asset or assets) or by any other method where the identity of such assets is objectively determinable, will be deemed to account for the assets associated with such series separately from the other assets of the limited liability company, or any other series thereof. Notice in a certificate of formation of the limitation on liabilities of a series as referenced in Section 14.2.15.2 shall be sufficient for all purposes of Section 14.2.15.2 whether or not the limited liability company has established any series when such notice is included in the certificate of formation, and there shall be no requirement that any specific series of the limited liability company be referenced in such notice. The fact that a certificate of formation that

contains the foregoing notice of the limitation on liabilities of a series is on file in the office of the Registrar shall constitute notice of such limitation on liabilities of a series. As used in this Chapter 14, a reference to assets of a series includes assets associated with a series and a reference to assets associated with a series includes assets of a series.

3. A series established in accordance with Section 14.2.15.1 may carry on any business, purpose or activity that a limited liability company may carry on. Unless otherwise provided in a limited liability company agreement, a series established in accordance with Section 14.2.15.1 shall have the power and capacity to, in its own name, contract, hold title to assets (including real, personal and intangible property), grant liens and security interests, and sue and be sued.

4. Notwithstanding Section 14.3.3, under a limited liability company agreement or under another agreement, a member or manager may agree to be obligated personally for any or all of the debts, obligations and liabilities of one or more series.

5. A limited liability company agreement may provide for classes or groups of members or managers associated with a series having such relative rights, powers and duties as the limited liability company agreement may provide, and may make provision for the future creation in the manner provided in the limited liability company agreement of additional classes or groups of members or managers associated with the series having such relative rights, powers and duties as may from time to time be established, including rights, powers and duties senior to existing classes and groups of members or managers associated with the series. A limited liability company agreement may provide for the taking of an action, including the amendment of the limited liability company agreement, without the vote or approval of any member or manager or class or group of members or managers, including an action to create under the provisions of the limited liability company agreement a class or group of the series of limited liability company interests that was not previously outstanding. A limited liability company agreement may provide that any member or class or group of members associated with a series shall have no voting rights.

6. A limited liability company agreement may grant to all or certain identified members or managers or a specified class or group of members or managers associated with a series the right to vote separately or with all or any class or group of the members or managers associated with

the series, on any matter. Voting by members or managers associated with a series may be on a per capita, number, financial interest, class, group or any other basis.

7. Unless otherwise provided in a limited liability company agreement, the management of a series shall be vested in the members associated with such series in proportion to the then current percentage or other interest of members in the profits of the series owned by all of the members associated with such series, the decision of members owning more than fifty percent (50%) of the said percentage or other interest in the profits controlling; provided, however, that if a limited liability company agreement provides for the management of the series, in whole or in part, by a manager, the management of the series, to the extent so provided, shall be vested in the manager who shall be chosen in the manner provided in the limited liability company agreement. The manager of the series shall also hold the offices and have the responsibilities accorded to the manager as set forth in a limited liability company agreement. A series may have more than one manager. Subject to Section 14.6.2, a manager shall cease to be a manager with respect to a series as provided in a limited liability company agreement. Except as otherwise provided in a limited liability company agreement, any event under this subchapter or in a limited liability company agreement that causes a manager to cease to be a manager with respect to a series shall not, in itself, cause such manager to cease to be a manager of the limited liability company or with respect to any other series thereof.

8. Notwithstanding Section 14.6.6, but subject to Section 14.2.15.9 and Section 14.2.15.10, and unless otherwise provided in a limited liability company agreement, at the time a member associated with a series that has been established in accordance with Section 14.2.15.2 becomes entitled to receive a distribution with respect to such series, the member has the status of, and is entitled to all remedies available to, a creditor of the series, with respect to the distribution. A limited liability company agreement may provide for the establishment of a record date with respect to allocations and distributions with respect to a series.

9. Notwithstanding Section 14.6.7, a limited liability company may make a distribution with respect to a series that has been established in accordance with Section 14.2.15.2. A limited liability company shall not make a distribution with respect to a series that has been established in accordance with Section 14.2.15.2 to a member to the extent that at the time of the

distribution, after giving effect to the distribution, all liabilities of such series, other than liabilities to members on account of their limited liability company interests with respect to such series and liabilities for which the recourse of creditors is limited to specified property of such series, exceed the fair value of the assets associated with such series, except that the fair value of property of the series that is subject to a liability for which the recourse of creditors is limited shall be included in the assets associated with such series only to the extent that the fair value of that property exceeds that liability. For purposes of the immediately preceding sentence, the term "distribution" shall not include amounts constituting reasonable compensation for present or past services or reasonable payments made in the ordinary course of business pursuant to a bona fide retirement plan or other benefits program. A member who receives a distribution in violation of Section 14.2.15.9, and who knew at the time of the distribution that the distribution violated Section 14.2.15.9, shall be liable to a series for the amount of the distribution. A member who receives a distribution in violation of Section 14.2.15.9, and who did not know at the time of the distribution that the distribution violated Section 14.2.15.9, shall not be liable for the amount of the distribution. Subject to Section 14.6.7.3, which shall apply to any distribution made with respect to a series under Section 14.2.15.9, Section 14.2.15.9 shall not affect any obligation or liability of a member under an agreement or other applicable law for the amount of a distribution.

10. Unless otherwise provided in the limited liability company agreement, a member shall cease to be associated with a series and to have the power to exercise any rights or powers of a member with respect to such series upon the assignment of all of the member's limited liability company interest with respect to such series. Except as otherwise provided in a limited liability company agreement, any event under this Act or a limited liability company agreement that causes a member to cease to be associated with a series shall not, in itself, cause such member to cease to be associated with any other series or terminate the continued membership of a member in the limited liability company or cause the termination of the series, regardless of whether such member was the last remaining member associated with such series.

11. Subject to Section 14.8.1, except to the extent otherwise provided in the limited liability company agreement, a series may be terminated and its affairs wound up without causing the dissolution of the limited liability company. The termination of a series established in accordance

with Section 14.2.15.2 shall not affect the limitation on liabilities of such series provided by Section 14.2.15.2. A series is terminated and its affairs shall be wound up upon the dissolution of the limited liability company under Section 14.8.1 or otherwise upon the first to occur of the following:

(a) At the time specified in the limited liability company agreement;

(b) Upon the happening of events specified in the limited liability company agreement;

(c) Unless otherwise provided in the limited liability company agreement, upon the vote or consent of members associated with such series who own more than fifty percent (50%) of the then-current percentage or other interest in the profits of the series of the limited liability company owned by all of the members associated with such series; or

(d) The termination of such series under Section 14.2.15.12.

12. Notwithstanding Section 14.8.4, unless otherwise provided in the limited liability company agreement, a manager associated with a series who has not wrongfully terminated the series or, if none, the members associated with the series or a person approved by the members associated with the series, in either case, by members who own more than fifty percent (50%) of the then current percentage or other interest in the profits of the series owned by all of the members associated with the series, may wind up the affairs of the series; but, if the series has been established in accordance with Section 14.2.15.2, a Liberian court of competent jurisdiction, upon cause shown, may wind up the affairs of the series upon application of any member or manager associated with the series, or the member's personal representative or assignee, and in connection therewith, may appoint a liquidating trustee. The persons winding up the affairs of a series may, in the name of the limited liability company and for and on behalf of the limited liability company and such series, take all actions with respect to the series as are permitted under Section 14.8.4. The persons winding up the affairs of a series shall provide for the claims and obligations of the series as provided in Section 14.8.5.1 and distribute the assets of the series as provided in Section 14.8.5.1, which section shall apply to the winding up and

distribution of assets of a series. Actions taken in accordance with this Section 14.2.15.12 shall not affect the liability of members and shall not impose liability on a liquidating trustee.

13. On application by or for a member or manager associated with a series established in accordance with Section 14.2.15.2, a Liberian court of competent jurisdiction may decree termination of such series whenever it is not reasonably practicable to carry on the business of the series in conformity with a limited liability company agreement.

14. If a foreign limited liability company that is registering to do business in Liberia in accordance with Section 14.10.5 is governed by a limited liability company agreement that establishes or provides for the establishment of designated series of members, managers, or limited liability company interests or assets having separate rights, powers or duties with respect to specified property or obligations of the foreign limited liability company or profits and losses associated with specified property or obligations, that fact shall be so stated on the application for registration as a foreign limited liability company. In addition, the foreign limited liability company shall state on such application whether the debts, liabilities and obligations incurred, contracted for or otherwise existing with respect to a particular series, if any, shall be enforceable against the assets of such series only, and not against the assets of the foreign limited liability company generally or any other series thereof, and whether any of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the foreign limited liability company generally or any other series thereof shall be enforceable against the assets of such series.

§14.2.16. Cancellation and reregistration of limited liability company as another entity.

1. *Eligibility to apply to cancel and reregister as another legal entity*. A domestic limited liability company formed under this Act may, if not prohibited to do so by its certificate of formation or limited liability company agreement, apply to cancel upon reregistration as another legal entity under Liberian law. If the limited liability company agreement specifies the manner of authorizing a cancellation and reregistration of the limited liability company, the cancellation and reregistration shall be authorized as specified in the limited liability company agreement. If the limited liability company agreement does not specify the manner of authorizing a cancellation and reregistration of the limited liability company and does not prohibit a

cancellation and reregistration of the limited liability company, the cancellation and reregistration shall be authorized in the same manner as is specified in the limited liability company agreement for authorizing a merger or consolidation that involves the limited liability company as a constituent party to the merger or consolidation. If the limited liability company agreement does not specify the manner of authorizing a cancellation and reregistration of the limited liability company or a merger or consolidation that involves the limited liability company as a constituent party and does not prohibit a cancellation and reregistration of the limited liability company, the cancellation and reregistration shall be authorized by the approval by all members or, if there is more than one class or group of members, then by each class or group of members, in either case, by members who own more than fifty percent (50%) of the then current percentage or other interest in the profits of the domestic limited liability company owned by all of the members or by the members in each class or group, as appropriate. A limited liability company agreement may provide that a domestic limited liability company shall not have the power to cancel and reregister as set forth in Section 14.2.16.

2. *Application to cancel and reregister as another legal entity*. An application by a domestic limited liability company to cancel and reregister as another legal entity in Liberia and to cease to be a limited liability company formed under this Act shall be made to the Registrar or the Deputy Registrar in the form prescribed by him and shall be accompanied by:

(a) A certificate of cancellation and reregistration setting out:

(i) The name of the domestic limited liability company, and, if the name has been changed, the name with which the limited liability company was established, and the name, if different, under which registration as another legal entity is sought;

(ii) The date of filing of the certificate of formation, and if established under any other law, the date of establishment;

(iii) The law under which the domestic limited liability company proposes to reregister;

(iv) The date on which the domestic limited liability company proposes to cancel and reregister;

(v) That the proposed cancellation and reregistration have been approved in accordance with the relevant law and the certificate of formation and limited liability company agreement of the limited liability company;

(vi) Confirmation by the members (or equivalent) or any authorized signatory of the limited liability company that at the date of cancellation and reregistration the limited liability company will have done everything required by this Act preparatory to cancellation and reregistration as another legal entity and that, on cancellation and reregistration, the domestic limited liability company will cease to be a domestic limited liability company;

(vii) Confirmation by the members or equivalent or any authorized signatory of the limited liability company that no proceedings for insolvency or dissolution have been commenced in Liberia with respect to the limited liability company; and

(viii) Such other provisions with respect to the proposed cancellation and reregistration as the members or equivalent or any authorized signatory consider necessary or desirable;

(b) A certificate of good standing in respect of the domestic limited liability company issued by the Registrar or the Deputy Registrar;

(c) Any amendments to the certificate of formation that are to take effect on the cancellation of the certificate of formation and reregistration as the other legal entity, and the provisions of Section 1.4 of this Title shall apply with the variation that execution shall be by any member, manager or other authorized person.

3. *Consent to cancel and reregister as another legal entity*. The Registrar or the Deputy Registrar shall, if he is satisfied that the requirements of this Act in respect of cancellation of a certificate of formation prior to reregistration as another legal entity have been met:

(a) Certify that the domestic limited liability company is permitted to cancel and reregister as the other legal entity specified in the documents supplied in compliance with Section 14.2.16.2, in accordance with those documents, and that it may cease to be registered as a domestic limited liability company on the date of the issue of the certificate, or, in case of a certificate to which Section 14.2.16.4 applies, on the specified date;

(b) Enter in the index kept for this purpose in respect of a domestic limited liability company to which a certificate has been issued under Section 14.2.16 the fact of the issue of the certificate described in Section 14.2.16.3(a).

4. *Deferred date of cancellation*. Notwithstanding Section 1.4.7(c) of this Title, where, at the time of making an application under Section 14.2.16.2, the domestic limited liability company applying for cancellation has specified a date, which is referred to as "the specified date" in Section 14.2.16, no later than one (1) year after the date of the making of the application as the date of cancellation, the certificate issued by the Registrar or the Deputy Registrar shall show the specified date as the date of cancellation.

5. *Status of a certificate of cancellation*. A certificate of cancellation given by the Registrar or the Deputy Registrar in accordance with Section 14.2.16.3(a) in respect of any canceled limited liability company shall be:

(a) Conclusive evidence that all the requirements of this Act in respect of that cancellation, and matters precedent and incidental thereto, have been complied with and that the certificate of formation is authorized to be cancelled; and

(b) Valid for a period of one (1) year from the date of the issue of the certificate of cancellation or, in case of a certificate to which Section 14.2.16.4 applies, from the specified date, unless endorsed in accordance with Section 14.2.16.6.

6. *Endorsement of certificate of cancellation*. Where:

(a) At the date of the issue of a certificate in accordance with Section 14.2.16.3(a) or at any time thereafter within a period of one (1) year immediately following the date of the issue of that certificate; or

(b) In the case of a certificate to which Section 14.2.16.4 applies, at the specified date or at any time thereafter within a period of one (1) year immediately following that date, the Registrar or the Deputy Registrar is satisfied, by the service on him of a certificate executed by the reregistered legal entity that the limited liability company has re-registered under the relevant provisions of the law specified in the certificate in accordance with Section 14.2.16.3(a), he may endorse the certificate of cancellation to the effect that the certificate of formation is from the date of the endorsement to be deemed to be cancelled and that shall be the effective date of cancellation.

7. *Failure to complete cancellation and reregistration*. If, by a date one (1) year immediately following the date of the issue of a certificate in accordance with Section 14.2.16.3(a) or, in the case of a certificate to which Section 14.2.16.4 applies, following the specified date, the limited liability company has not satisfied the Registrar or the Deputy Registrar that it has become the other legal entity under the relevant provisions of the law under which it proposed to reregister, the Registrar or the Deputy Registrar shall revoke the certificate issued under Section 14.2.16.3(a), and:

(a) That certificate and any cancellation under this Section 14.2.16 shall be of no further force or effect; and

(b) The limited liability company shall continue as a domestic limited liability company under the provisions of this Act.

8. *Effect of cancellation*. With effect from the date of the endorsement of a certificate issued under Section 14.2.16.3(a) or Section 14.2.16.4:

(a) The limited liability company to which the certificate relates shall cease to be:

(i) A limited liability company registered under this Act; and

(ii) A limited liability company registered in Liberia for the purpose of any other law;

(b) The certificate of formation or other constitutional documents of the limited liability company, as amended by the resolution or equivalent document for the purpose of reregistration as another legal entity in Liberia, shall be the constitutional documents of the other legal entity;

(c) The property of every description and the business of the limited liability company are vested in the other legal entity;

(d) The other legal entity is liable for all of the claims, debts, liabilities and obligations of the limited liability company;

(e) No conviction, judgment, ruling, order, debt, liability or obligation due or to become due and no cause existing against the limited liability company or against any member, manager or agent thereof is thereby released or impaired;

(f) No proceedings whether civil or criminal pending at the time of the endorsement by the Registrar or the Deputy Registrar of the certificate by or against the limited liability company or against any member or agent thereof are thereby abated or discontinued, but the proceedings may be enforced, prosecuted, settled or compromised by or against the other legal entity or against the member, manager or agent thereof, as the case may be;

(g) Unless otherwise provided in a resolution approving the cancellation, the limited liability company reregistering as the other legal entity shall not be required to wind up its affairs or pay its liabilities and distribute its assets, and the reregistration shall constitute a continuation of the existence of the domestic limited liability company and shall not:

(i) Constitute a dissolution of the limited liability company;

(ii) Create a new legal entity; or

(iii) Prejudice or affect the continuity of the cancelled limited liability company as a legal entity.

9. *Index of limited liability companies cancelled and reregistered as another legal entity*. The Registrar or the Deputy Registrar shall maintain an index of limited liability companies in respect of which a certificate issued in accordance with Section 14.2.16.3(a) is in force and in that index shall record the name in which the limited liability company is reregistered as another legal entity and whether the limited liability company has ceased to be registered under this Act in accordance with Section 14.2.16.6.

10. In connection with a reregistration of a domestic limited liability company to another legal entity pursuant to Section 14.2.16, limited liability company interests that are to be reregistered may be exchanged for or converted into cash, property, rights or securities of, or interests in, the legal entity to which the limited liability company is being reregistered or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, limited liability company interests, rights or securities of, or interests in, another domestic limited liability company or other legal entity or may be cancelled.

11. The resolution approving the cancellation and registration may, among other things, approve a new name of the limited liability company; the method of converting the limited liability company interests of the limited liability company into securities of the reregistered entity; the organizational documents of the reregistered entity; and who will be the person or persons sitting on the relevant governing body or acting as manager, limited partner, general partner or otherwise.

Effective: June 19, 2002.

CHAPTER 14.

SUBCHAPTER III.

MEMBERS

§14.3.1. Admission of members.
§14.3.2. Classes and voting.
§14.3.3. Liability to third parties.
§14.3.4. Events of bankruptcy.
§14.3.5. Requirements for keeping accounting records, minutes, and records of members; access to and confidentiality of information.
§14.3.6. Remedies for breach of limited liability company agreement by member.

§14.3.1. Admission of members.

1. *Admission at formation*. In connection with the formation of a limited liability company, a person acquiring a limited liability company interest is admitted as a member of the limited liability company upon the later to occur of:

(a) The formation of the limited liability company; or

(b) The time provided in and upon compliance with the limited liability company agreement; or

(c) If the limited liability company agreement does not so provide, when the person's admission is reflected in the records of the limited liability company.

2. *Admission after formation*. After the formation of a limited liability company, a person is admitted as a member of the limited liability company:

(a) In the case of a person who is not an assignee of a limited liability company interest, including a person acquiring a limited liability company interest directly from the limited liability company and a person to be admitted as a member of the limited liability company without acquiring a limited liability company interest in the limited liability company, at the time provided in and upon compliance with the limited liability company agreement or, if the limited liability company

agreement does not so provide, upon the consent of all members and when the person's admission is reflected in the records of the limited liability company;

(b) In the case of an assignee of a limited liability company interest, as provided in Section 14.7.4.1 and at the time provided in and upon compliance with the limited liability company agreement or, if the limited liability company agreement does not so provide, when any such person's permitted admission is reflected in the records of the limited liability company; or

(c) Unless otherwise provided in a plan of merger or consolidation, in the case of a person acquiring a limited liability company interest in a surviving or resulting limited liability company pursuant to a merger or consolidation approved in accordance with Section 14.2.9, at the time provided in and upon compliance with the limited liability company agreement of the surviving or resulting limited liability company; and in the case of a person being admitted as a member of a limited liability company pursuant to a merger or consolidation in which such limited liability company is not the surviving or resulting limited liability company in the merger or consolidation, as provided in the limited liability company agreement of such limited liability company.

3. In connection with the re-domiciliation of a limited liability company as a limited liability company in Liberia in accordance with Section 14.2.12 or the reregistration of a legal entity to a domestic limited liability company in accordance with Section 14.2.14, a person is admitted as a member of the limited liability company at the time provided in and upon compliance with the limited liability company agreement.

4. *No contribution required*. A person may be admitted to a limited liability company as a member of the limited liability company and may receive a limited liability company interest in the limited liability company without making a contribution or being obligated to make a contribution to the limited liability company. Unless otherwise provided in a limited liability company agreement, a person may be admitted to a limited liability company as a member of the limited liability company without acquiring a limited liability company interest in the limited liability company. Unless otherwise provided in a limited liability company agreement, a person

may be admitted as the sole member of a limited liability company without making a contribution or being obligated to make a contribution to the limited liability company or without acquiring a limited liability company interest in the limited liability company.

5. Unless otherwise provided in a limited liability company agreement or another agreement, a member shall have no preemptive right to subscribe to any additional issue of limited liability company interests or another interest in a limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.3.2. Classes and voting.

1. *Provision for classes and groups*. A limited liability company agreement may provide for classes or groups of members having such relative rights, powers and duties as the limited liability company agreement may provide, and may make provision for the future creation in the manner provided in the limited liability company agreement of additional classes or groups of members having such relative rights, powers and duties as may from time to time be established, including rights, powers and duties senior to existing classes and groups of members. A limited liability company agreement may provide for the taking of an action, including the amendment of the limited liability company agreement, without the vote or approval of any member or class or group of members, including an action to create under the provisions of the limited liability company agreement a class or group of limited liability company interests that was not previously outstanding. A limited liability company agreement may provide that any member or class or group of members shall have no voting rights.

2. *Voting rights*. A limited liability company agreement may grant to all or certain identified members or a specified class or group of the members the right to vote separately or with all or any class or group of the members or managers, on any matter. Voting by members may be on a per capita, number, financial interest, class, group or any other basis.

3. *Notices*. A limited liability company agreement may set forth provisions relating to notice of the time, place or purpose of any meeting at which any matter is to be voted on by any members, waiver of any such notice, action by consent without a meeting, the establishment of a

record date, quorum requirements, voting in person or by proxy, or any other matter with respect to the exercise of any such right to vote.

4. *Meetings*. Unless otherwise provided in a limited liability company agreement, meetings of members may be held by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to Section 14.3.2.4 shall constitute presence in person at the meeting. Unless otherwise provided in a limited liability company agreement, on any matter that is to be voted on, consented to or approved by members, the members may take such action without a meeting, without prior notice and without a vote if consented to in writing, or by electronic transmission, by members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all members entitled to vote thereon were present and voted. Unless otherwise provided in a limited liability company agreement, if a person, whether or not then a member, consenting as a member to any matter provides that such consent will be effective at a future date, including a date determined upon the happening of an event, then such person shall be deemed to have consented as a member at such future date so long as such person is then a member. Unless otherwise provided in a limited liability company agreement, on any matter that is to be voted on by members, the members may vote in person or by proxy, and such proxy may be granted in writing, by means of electronic transmission or as otherwise permitted by applicable law. Unless otherwise provided in a limited liability company agreement, a consent transmitted by electronic transmission by a member or by a person or persons authorized to act for a member shall be deemed to be written and signed for purposes of Section 14.3.2.4.

5. *Amendment*. If a limited liability company agreement provides for the manner in which it may be amended, including by requiring the approval of a person who is not a party to the limited liability company agreement or the satisfaction of conditions, it may be amended only in that manner or as otherwise permitted by law, provided that the approval of any person may be waived by such person and that any such conditions may be waived by all persons for whose benefit such conditions were intended. Unless otherwise provided in a limited liability company agreement, a supermajority amendment provision shall only apply to provisions of the limited liability company agreement that are expressly included in the limited liability company

agreement. As used in Section 14.3.2, “supermajority amendment provision" means any amendment provision set forth in a limited liability company agreement requiring that an amendment to a provision of the limited liability company agreement be adopted by no less than the vote or consent required to take action under such latter provision.

6. If a limited liability company agreement does not provide for the manner in which it may be amended, the limited liability company agreement may be amended with the approval of all of the members or as otherwise permitted by law.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.3.3. Liability to third parties.

1. Except as otherwise provided by this Act, the debts, obligations and liabilities of a limited liability company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the limited liability company; and no member or manager of a limited liability company shall be obligated personally for any such debt, obligation or liability of the limited liability company solely by reason of being a member or acting as a manager of the limited liability company.

2. Notwithstanding the provisions of Section 14.3.3.1, under a limited liability company agreement or under another agreement, a member or manager may agree to be obligated personally for any or all of the debts, obligations and liabilities of the limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.3.4. Events of bankruptcy.

A person ceases to be a member of a limited liability company upon the happening of any of the following events:

(a) Unless otherwise provided in a limited liability company agreement, or with the consent of all members, a member:

(i) Makes an assignment for the benefit of creditors;

(ii) Files a voluntary petition in bankruptcy;

(iii) Is adjudged a bankrupt or insolvent, or has entered against the member an order for relief, in any bankruptcy or insolvency proceeding;

(iv) Files a petition or answer seeking for the member any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation;

(v) Files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against him in any proceeding of this nature;

(vi) Seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the member or of all or any substantial part of his properties; or

(b) Unless otherwise provided in a limited liability company agreement, or with the consent of all members, one hundred twenty (120) days after the commencement of any proceeding against the member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or if within ninety (90) days after the appointment without the member's consent or acquiescence of a trustee, receiver, or liquidator of the member or of all or any substantial part of the member's properties, the appointment is not vacated or stayed, or within ninety (90) days after the expiration of any such stay, the appointment is not vacated.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.3.5. Requirements for keeping accounting records, minutes, and records of members; access to and confidentiality of information.

1. Requirement for keeping accounting records, minutes, and records of members.

(a) *Accounting records*. Every domestic limited liability company or foreign limited liability company authorized to do business in Liberia shall keep reliable and complete accounting records, to include correct and complete books and records of account. Accounting records must be sufficient to correctly explain all transactions, enable the financial position of the limited liability company to be determined with reasonable accuracy at any time, and allow financial statements to be prepared. Additionally, every limited liability company shall keep underlying documentation for accounting records maintained pursuant to Section 14.3.5.1(a), such as, but not limited to, invoices and contracts, which shall reflect all sums of money received and expended and the matters in respect of which the receipt and expenditure takes place; all sales, purchases, and other transactions; and the assets and liabilities of the limited liability company. A resident domestic limited liability company shall keep all accounting records and underlying documentation as described in Section 14.3.5.1(a) in the Republic of Liberia.

(b) *Minutes*. Every limited liability company shall keep minutes of all meetings of members, of actions taken on consent by members, of all meetings of the managers, and of actions taken on consent by managers. A resident domestic limited liability company shall keep such minutes in the Republic of Liberia.

(c) *Records of members*. Every limited liability company shall keep up-to-date records containing the names and addresses of all members. A resident domestic limited liability company shall keep the records required to be maintained by Section 14.3.5.1(c) in the Republic of Liberia.

(d) *Form of records*. Any records maintained by a limited liability company in the regular course of its business, including its record of members, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs, or any other information storage device, provided that the records so kept can be converted into clearly legible written form within seven working days upon instruction of the appropriate authority of the Government of Liberia or upon the request of any person entitled to inspect

such records. When records are kept in such manner, a clearly legible written form produced from the cards, tapes, photographs, micro photographs, or other information storage device shall be admissible in evidence, and accepted for all other purposes, to the same extent as an original written record of the same information would have been, provided the written form accurately portrays the record.

(e) *Retention period*. All records required to be kept, retained, or maintained under Section 14.3.5 shall be kept, retained, or maintained for a minimum of five years.

(f) *Failure to maintain records*. Any limited liability company which willfully or recklessly fails to keep, retain, and maintain records as required under Section 14.3.5 shall be liable to a fine not less than Three Thousand United States Dollars (US$3,000.00), but not exceeding Five Thousand United State Dollars (US$5,000.00) or cancellation of the certificate of formation, or both.

2. *Right of member to information*. Each member of a limited liability company has the right, subject in such reasonable standards (including standards governing what information and documents are to be furnished at what time and location and at whose expense) as may be set forth in a limited liability company agreement or otherwise established by the manager or, if there is no manager, then by the members, to obtain from the limited liability company from time to time upon reasonable demand for any purpose reasonably related to the member's interest as a member of the limited liability company:

(a) True and full information regarding the status of the business and financial condition of the limited liability company;

(b) Promptly after becoming available a copy of the limited liability company's tax returns if applicable for each year;

(c) A current list of the name and last known business, residence or mailing address of each member and manager;

(d) A copy of any written limited liability company agreement and certificate of formation and amendments thereto, together with executed copies of any written powers of attorney pursuant to which the limited liability company agreement and any certificate and all amendments thereto have been executed;

(e) True and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each member and which each member has agreed to contribute in the future, and the date on which each became a member; and

(f) Other information regarding the affairs of the limited liability company as is just and reasonable.

6. *Right of manager to examine information*. Each manager of a limited liability company shall have the right to examine all of the information described in Section 14.3.5.2 for a purpose reasonably related to his position as a manager.

7. *Confidentiality*. The manager of a limited liability company shall have the right to keep confidential from the members, for such period of time as the manager deems reasonable, any information which the manager reasonably believes to be in the nature of trade secrets or other information the disclosure of which the manager in good faith believes is not in the best interest of the limited liability company or could damage the limited liability company or its business or which the limited liability company is required by law or by agreement with a third party to keep confidential.

8. *Demand shall be in writing*. Any demand by a member under this Section 14.3.5 shall be in writing and shall state the purpose of such demand.

9. *Action to enforce rights*. Any action to enforce any rights arising under this Section 14.3.5 shall be brought in a court of competent jurisdiction.

10. *Right to inspection*. The Registrar may request from any limited liability company any records of members, ownership information and books of account as the Registrar shall deem necessary to ensure that the limited liability company is in compliance with applicable laws. Any

failure to respond to an official request by the Registrar for records of members, ownership information or books of account on or before the stated due date shall subject the limited liability company to a fine of not less than One Thousand United States Dollars (US$3,000) but not exceeding Five Thousand United States Dollars (US$5,000) and render the limited liability company to be not in good standing, and Sections 1.7.3 and 1.7.4 of this Title shall apply with the exception that the word "corporation" in such sections is replaced with "limited liability company", until the Registrar is satisfied that the limited liability company has complied with such enquiry. A continued failure to provide such records, after sufficient notice from the Registrar, shall, on the determination of the Registrar, be subject to cancellation of the limited liability company's certificate of formation.

Effective: November 26, 1999; amended effective June 19, 2002; amended effective May 6, 2016

§14.3.6. Remedies for breach of limited liability company agreement by member.

A limited liability company agreement may provide that:

(a) A member who fails to perform in accordance with, or to comply with the terms and conditions of, the limited liability company agreement shall be subject to specified penalties or specified consequences; or

(b) At the time or upon the happening of events specified in the limited liability company agreement, a member shall be subject to specified penalties or specified consequences.

Effective: November 26, 1999; amended effective June 19, 2002

CHAPTER 14.

SUBCHAPTER IV.

MANAGEMENT

§14.4.1. Admission of managers.
§14.4.2. Management of limited liability company.
§14.4.3. Contributions by a manager.
§14.4.4. Classes and voting.
§14.4.5. Remedies for breach of limited liability company agreement by a manager.
§14.4.6. Reliance on reports and information by member or manager.
§14.4.7. Delegation of rights and powers to manage.

§14.4.1. Admission of managers.

A person may be named or designated as a manager of the limited liability company as defined in Section 14.1.1(k).

Effective: November 26, 1999; amended effective June 19, 2002.

§14.4.2. Management of limited liability company.

1. Unless otherwise provided in a limited liability company agreement, the management of a limited liability company shall be vested in its members in proportion to the then current percentage of the interest of each member in the profits of that limited liability company and the members having more than fifty percent (50%) of the interest shall have a controlling power.

2. Provided, however, that if a limited liability company agreement provides for the management, in whole or in part, of a limited liability company by a manager, the management of the limited liability company, to the extent so provided, shall be vested in a manager, who shall:

(a) Be chosen in the manner provided in the limited liability company agreement;

(b) Hold the offices and have the responsibilities accorded to the manager by or in the manner provided in the limited liability company agreement;

(c) Subject to Section 14.6.2, shall cease to be a manager as provided in a limited liability company agreement. A limited liability company may have more than one manager. Unless otherwise provided in a limited liability company agreement, each member and manager has the authority to bind the limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.4.3. Contributions by a manager.

A manager of a limited liability company may make contributions to the limited liability company and share in the profits and losses of, and in distributions from, the limited liability company as a member. A person who is both a manager and a member has the rights and powers, and is subject to the restrictions and liabilities, of a manager and, except as provided in a limited liability company agreement, also has the rights and powers, and, to the extent of participating in the limited liability company as a member, is subject to the restrictions and liabilities of a member.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.4.4. Classes and voting.

1. *Provision for classes and groups*. A limited liability company agreement may provide for:

(a) Classes or groups of managers having such relative rights, powers and duties as the limited liability company agreement may provide;

(b) The future creation in the manner provided in the limited liability company agreement of additional classes or groups of managers having such relative rights, powers and duties senior to existing classes and groups of managers;

(c) The taking of an action, including:

(i) The amendment of the limited liability company agreement; or

(ii) An action to create under the provisions of the limited liability company agreement a class or group of limited liability company interests that was not previously outstanding, without the vote or approval of any manager or class or group of managers.

2. *Voting rights*. A limited liability company agreement may grant to all or certain identified managers, or a specified class or group of the managers, the right to vote, separately or with all or any class or group of managers or members, on any matter. Voting by managers may be on a per capita, member, financial interest, class, group or any other basis.

3. *Provisions in respect of voting rights*. A limited liability company agreement may set forth provisions relating to:

(a) Notice of the time, place or purpose of any meeting at which any matter is to be voted on by any manager or class or group of managers;

(b) Waiver of any such notice;

(c) Action by consent without a meeting;

(d) The establishment of a record date;

(e) Quorum requirements;

(f) Voting in person or by proxy; or

(g) Any other matter with respect to the exercise of any such right to vote.

4. *Meeting of Managers*. Unless otherwise provided in a limited liability company agreement, meetings of managers may be held by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to Section 14.4.4.4 shall constitute presence in person at the meeting. Unless otherwise provided in a limited liability company agreement, on any matter that is to be voted on, consented to or approved by managers, the managers may take such action without a meeting, without prior notice and without a vote if consented to, in writing,

or by electronic transmission, by managers having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all managers entitled to vote thereon were present and voted. Unless otherwise provided in a limited liability company agreement, if a person, whether or not then a manager consenting as a manager to any matter provides that such consent will be effective at a future time, including a time determined upon the happening of an event, then such person shall be deemed to have consented as a manager at such future time so long as such person is then a manager. Unless otherwise provided in a limited liability company agreement, on any matter that is to be voted on by managers, the managers may vote in person or by proxy, and such proxy may be granted in writing, by means of electronic transmission or as otherwise permitted by applicable law. Unless otherwise provided in a limited liability company agreement, a consent transmitted by electronic transmission by a manager or by a person or persons authorized to act for a manager shall be deemed to be written and signed for purposes of Section 14.4.4.4.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.4.5. Remedies for breach of limited liability company agreement by a manager.

A limited liability company agreement may provide that:

(a) A manager who fails to perform in accordance with, or to comply with the terms and conditions of, the limited liability company agreement shall be subject to specified penalties or specified consequences; and

(b) At the time or upon the happening of events specified in the limited liability company agreement, a manager shall be subject to specified penalties or specified consequences.

Such specified penalties or specified consequences may include and take the form of any penalty or consequence set forth in Section 14.5.2.3.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.4.6. Reliance on reports and information by member or manager.

A member, manager or liquidating trustee of a limited liability company shall be fully protected in relying in good faith upon:

(a) The records of the limited liability company;

(b) Such information, opinions, reports or statements (including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits or losses of the limited liability company or any other facts pertinent to the existence and amount of assets from which distributions to members might properly be paid, or the value and amount of assets or reserves or contracts, agreements or other undertakings that would be sufficient to pay claims and obligations of the limited liability company or to make reasonable provision to pay such claims and obligations, or any other facts pertinent to the existence and amount of assets from which distributions to members or creditors might properly be paid) presented to the limited liability company by:

(i) Any of its other managers, members or liquidating trustee, officers or employees of the limited liability company;

(ii) Committees of the limited liability company; or

(iii) Any other person, as to matters the member, manager or liquidating trustees reasonably believes are within such other person's professional or expert competence and where that person has been selected with reasonable care by or on behalf of the limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.4.7. Delegation of rights and powers to manage.

Unless otherwise provided in the limited liability company agreement, a member or manager of a limited liability company has the power and authority to delegate to one or more other persons any or all of the member's or manager's, as the case may be, rights, powers and duties to manage and

control the business and affairs of the limited liability company. Any such delegation may be to agents and employees of a member or manager or the limited liability company, and by a management agreement or another agreement with, or otherwise to, any other person. Unless otherwise provided in the limited liability company agreement, such delegation by a member or manager of a limited liability company shall not cause the member or manager to cease to be a member or manager, as the case may be, of the limited liability company or cause the person to whom any such rights, powers and duties have been delegated to be a member or manager, as the case may be, of the limited liability company. Unless otherwise provided in the limited liability company agreement, such delegation by a member or manager shall be irrevocable if it states that it is irrevocable. No other provision of this Chapter shall be construed to restrict a member's or manager's power and authority to delegate any or all of its rights, powers and duties to manage and control the business and affairs of the limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002.

CHAPTER 14.

SUBCHAPTER V.

FINANCE

§14.5.1. Form of contribution.
§14.5.2. Liability for contribution.
§14.5.3. Allocation of profits and losses.
§14.5.4. Allocations of distributions.
§14.5.5. Defense of usury not available.

§14.5.1. Form of contribution.

The contribution of a member to a limited liability company may be in cash, property or services rendered, or a promissory note or other obligation to contribute cash or property or to perform services.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.5.2. Liability for contribution.

1. *Obligation to contribute*. Except as provided in a limited liability company agreement, a member is obligated to a limited liability company to perform any promise to contribute cash or property or to perform services, even if he is unable to perform because of death, disability or any other reason. If a member does not make the required contribution of property or services, he is obligated, at the option of the limited liability company, to contribute cash equal to that portion of the agreed value (as stated in the records of the limited liability company) of the contribution that has not been made. The foregoing option shall be in addition to, and not in lieu of, any other rights, including the right to specific performance, that the limited liability company may have against such member under the limited liability company agreement or applicable law.

2. *Compromise of obligation*. Unless otherwise provided in a limited liability company agreement, the obligation of a member to make a contribution, or return money or other property paid or distributed in violation of this Act may be compromised only by consent of all the members. Notwithstanding the compromise, a creditor of a limited liability company who extends credit, after the entering into of a limited liability company agreement, or any

amendment thereto, which, in either case, reflects the obligation, and before the amendment thereof to reflect the compromise, may enforce the original obligation to the extent that, in extending credit, the creditor reasonably relied on the obligation of a member to make a contribution or return. A conditional obligation of a member to make a contribution or return money or other property to a limited liability company may not be enforced unless the conditions of the obligation have been satisfied or waived as to or by such member. Conditional obligations include contributions payable upon a discretionary call of a limited liability company prior to the time the call occurs.

3. *Penalties*. A limited liability company agreement may provide that the interest of any member who fails to make any contribution that the member is obligated to make shall be subject to specified penalties for, or specified consequences of, such failure. Such penalty or consequence may take the form of reducing or eliminating the defaulting member's proportionate interest in a limited liability company, subordinating the defaulting member's limited liability company interest to that of non-defaulting members, a forced sale of the defaulting member's limited liability company interest, forfeiture of the defaulting member's limited liability company interest, the lending by other members of the amount necessary to meet the defaulting member's commitment, a fixing of the value of the defaulting member's limited liability company interest by appraisal or by formula and redemption or sale of the limited liability company interest at such value, or other penalty or consequence.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.5.3. Allocation of profits and losses.

The profits and losses of a limited liability company shall be allocated among the members, and among classes or groups of members, in the manner provided in a limited liability company agreement. If the limited liability company agreement does not so provide, profits and losses shall be allocated on the basis of the agreed value (as stated in the records of the limited liability company) of the contributions made by each member to the extent they have been received by the limited liability company and have not been returned.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.5.4. Allocations of distributions.

Distributions of cash or other assets of a limited liability company shall be allocated among the members, and among classes or groups of members, in the manner provided in a limited liability company agreement. If the limited liability company agreement does not so provide, distributions shall be made on the basis of the agreed value (as stated in the records of the limited liability company) of the contributions made by each member to the extent they have been received by the limited liability company and have not been returned.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.5.5. Defense of usury not available.

No obligation of a member or manager of a limited liability company to the limited liability company, or to a member or manager of the limited liability company, arising under the limited liability company agreement or a separate agreement or writing, and no note, instrument or other writing evidencing any such obligation of a member or manager, shall be subject to the defense of usury, and no member or manager shall interpose the defense of usury with respect to any such obligation in any action.

Effective: April 6, 2020

CHAPTER 14.

SUBCHAPTER VI.

DISTRIBUTIONS AND RESIGNATION

§14.6.1. Interim distribution.
§14.6.2. Resignation of a manager.
§14.6.3. Resignation of member.
§14.6.4. Distribution upon resignation.
§14.6.5. Distribution in kind.
§14.6.6. Right to distribution.
§14.6.7. Limitations on distribution.

§14.6.1. Interim distribution.

Except as provided in this Act, to the extent and at the times or upon the happening of the events specified in a limited liability company agreement, a member is entitled to receive from a limited liability company distributions before the member's resignation from the limited liability company, and before the dissolution and winding up thereof.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.6.2. Resignation of a manager.

A manager may resign as a manager of a limited liability company at the time or upon the happening of events specified in the limited liability company agreement and in accordance with the limited liability company agreement. A limited liability company agreement may provide that a manager shall not have the right to resign as a manager of a limited liability company. Notwithstanding that a limited liability company agreement provides that a manager does not have the right to resign as a manager of a limited liability company, a manager may resign as a manager of a limited liability company at any time by giving written notice to the members and other managers. If the resignation of a manager violates the limited liability company agreement, in addition to any remedies otherwise available under applicable law, a limited liability company may recover from the resigning manager damages for breach of the limited liability company agreement and offset the damages against the amount otherwise distributable to the resigning manager.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.6.3. Resignation of member.

A member may resign from a limited liability company at the time or upon the happening of events specified in the limited liability company agreement and in accordance with that agreement. Notwithstanding anything to the contrary under applicable law, unless a limited liability company agreement provides otherwise, a member may not resign from a limited liability company prior to the dissolution and winding up of the limited liability company. Notwithstanding anything to the contrary under applicable law, a limited liability company agreement may provide that a limited liability company interest may not be assigned prior to the dissolution and winding up of the limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.6.4. Distribution upon resignation.

Except as provided in Section 14.6.4, a member who resigns or otherwise ceases for any reason to be a member is entitled to receive any distribution to which such member is entitled under a limited liability company agreement and, if not otherwise provided in a limited liability company agreement, such member is entitled to receive, within a reasonable time after the date on which such member resigned or otherwise ceased to be a member, the fair value of such member's limited liability company interest as of the date on which such member resigned or otherwise ceased to be a member based upon such member's right to share in distributions from the limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.6.5. Distribution in kind.

Except as provided in a limited liability company agreement, a member, regardless of the nature of the member's contribution, has no right to demand and receive any distribution from a limited liability company in any form other than cash. Except as provided in a limited liability company agreement, a member may not be compelled to accept a distribution of any asset in kind from a limited liability company to the extent that the percentage of the asset distributed to him exceeds

a percentage of that asset which is equal to the percentage in which the member shares in distributions from the limited liability company. Except as provided in the limited liability company agreement, a member may be compelled to accept a distribution of any asset in kind from a limited liability company to the extent that the percentage of the asset distributed is equal to a percentage of that asset which is equal to the percentage in which the member shares in distributions from the limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.6.6. Right to distribution.

Subject to Sections 14.6.7 and 14.8.4, and unless otherwise provided in a limited liability company agreement, at the time a member becomes entitled to receive a distribution, the member has the status of, and is entitled to all remedies available to, a creditor of a limited liability company with respect to the distribution. A limited liability company agreement may provide for the establishment of a record date with respect to allocations and distributions by a limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.6.7. Limitations on distribution.

1. *Restrictions*. A limited liability company shall not make a distribution to a member to the extent that, at the time of the distribution, and after giving effect to the distribution, all liabilities of the limited liability company, other than liabilities to members on account of their limited liability company interests and liabilities for which the recourse of creditors is limited to specified property of the limited liability company, exceed the fair value of the assets of the limited liability company, except that the fair value of property that is subject to a liability for which the recourse of creditors is limited shall be included in the assets of the limited liability company only to the extent that the fair value of that property exceeds that liability. For the purpose of Section 14.6.7.1, the term "distribution" shall not include amounts constituting reasonable compensation for present or past services or reasonable payments made in the ordinary course of business pursuant to a bona fide retirement plan or other benefits program.

2. *Member's liability*. A member who receives a distribution in violation of Section 14.6.7.1, and who knew at the time of the distribution that the distribution violated Section 14.6.7.1, shall be liable to a limited liability company for the amount of the distribution. A member who receives a distribution in violation of Section 14.6.7.1, and who did not know at the time of the distribution that the distribution violated Section 14.6.7.1, shall not be liable for the amount of the distribution. Subject to Section 14.6.7.3, Section 14.6.7.2 shall not affect any obligation or liability of a member under an agreement or other applicable law for the amount of a distribution.

3. *Expiration of liability*. Unless otherwise agreed, a member who receives a distribution from a limited liability company shall have no liability under this Act or other applicable law for the amount of the distribution after the expiration of three (3) years from the date of the distribution, unless an action to recover the distribution from such member is commenced prior to the expiration of the said three (3) year period and an adjudication of liability against such member is made in the said action.

Effective: November 26, 1999; amended effective June 19, 2002.

CHAPTER 14.

SUBCHAPTER VII.

ASSIGNMENT OF LIMITED LIABILITY COMPANY INTERESTS

§14.7.1. Nature of limited liability company interest.
§14.7.2. Assignment of limited liability company interest.
§14.7.3. Rights of judgment creditor.
§14.7.4. Right of assignee to become member.
§14.7.5. Powers of estate of deceased or incompetent member.

§14.7.1. Nature of limited liability company interest.

A limited liability company interest is personal property. A member has no interest in specific property of the limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002

§14.7.2. Assignment of limited liability company interest.

1. *Power to assign*. A limited liability company interest is assignable in whole or in part except as provided in the limited liability company agreement. The assignee of a member's limited liability company interest shall have no right to participate in the management of the business and affairs of a limited liability company except as provided in a limited liability company agreement or, unless otherwise provided in the limited liability company agreement, upon the vote or consent of all of the members of the limited liability company.

2. *Effect of assignment*. Unless otherwise provided in a limited liability company agreement:

(a) An assignment of a limited liability company interest does not entitle the assignee to become or to exercise any rights or powers of a member of the limited liability company;

(b) An assignment of a limited liability company interest entitles the assignee to share in such profits and losses, to receive such distribution or distributions, and to

receive such allocation of income, gain, loss, deduction, or credit or similar item to which the assignor was entitled, to the extent assigned; and

(c) A member ceases to be a member and to have the power to exercise any rights or powers of a member upon assignment of all of his limited liability company interest. Unless otherwise provided in a limited liability company agreement, the pledge of, or granting of a security interest, lien or other encumbrance in or against, any or all of the limited liability company interest of a member shall not cause the member to cease to be a member or to have the power to exercise any rights or powers of a member.

3. *Certificate of member's interest*. Unless otherwise provided in a limited liability company agreement, a member's interest in a limited liability company may be evidenced by a certificate of limited liability company interest issued by the limited liability company. A limited liability company agreement may provide for the assignment or transfer of any limited liability company interest represented by such a certificate and make other provisions with respect to such certificates. A limited liability company shall not have the power to issue a certificate of limited liability company interest in bearer form.

4. *Assignee's liability*. Unless otherwise provided in a limited liability company agreement, and except to the extent assumed by agreement, until an assignee of a limited liability company interest becomes a member, the assignee shall have no liability as a member solely as a result of the assignment.

5. Unless otherwise provided in the limited liability company agreement, a limited liability company may acquire, by purchase, redemption or otherwise, any limited liability company interest or other interest of a member or manager in the limited liability company. Unless otherwise provided in the limited liability company agreement, any such interest so acquired by the limited liability company shall be deemed cancelled.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.7.3. Rights of judgment creditor.

1. On application by a judgment creditor of a member or of a member's assignee, a court of competent jurisdiction may charge the limited liability company interest of the judgment debtor to satisfy the judgment. To the extent so charged, the judgment creditor has only the right to receive any distribution or distributions to which the judgment debtor would otherwise have been entitled in respect of such limited liability company interest.

2. An order charging a limited liability company interest constitutes a lien on the judgment debtor's economic interest in the relevant limited liability company.

3. This Act does not deprive a member or a member's assignee of a right under exemption laws with respect to the judgment debtor's economic interest in the relevant limited liability company.

4. The entry of an order charging an economic interest in a limited liability company is the exclusive remedy by which a judgment creditor of a member or a member's assignee may satisfy a judgment out of the judgment debtor's limited liability company interest and attachment, garnishment, foreclosure or other legal or equitable remedies are not available to the judgment creditor, whether the limited liability company has one member or more than one member.

5. No creditor of a member or of a member's assignee shall have any right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to, the property of the limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.7.4. Right of assignee to become member.

1. *Assignees to be member*. An assignee of a limited liability company interest becomes a member:

(a) as provided in a limited liability company agreement; or

(b) unless otherwise provided in the limited liability company agreement, upon the vote or consent of all of the members of the limited liability company; or

(c) Unless otherwise provided in the limited liability company agreement by a specific reference to Section 14.7.4 or otherwise provided in connection with the assignment, upon the voluntary assignment by the sole member of the limited liability company of all of the limited liability company interests in the limited liability company to a single assignee. An assignment will be voluntary for purposes of Section 14.7.4.1(c) if it is consented to by the member at the time of the assignment and is not effected by foreclosure or other similar legal process.

2. *Rights and obligations*. An assignee who has become a member has, to the extent assigned, the rights and powers, and is subject to the restrictions and liabilities, of a member under a limited liability company agreement and this Act. Notwithstanding the foregoing, unless otherwise provided in a limited liability company agreement, an assignee who becomes a member is liable for the obligations of the assignor to make contributions as provided in Section 14.5.2, but shall not be liable for the obligations of his assignor under Subchapter VI. However, the assignee is not obligated for liabilities, including the obligations of the assignor to make contributions as provided in Section 14.5.2, unknown to the assignee at the time he the assignee became a member and which could not be ascertained from a limited liability company agreement.

3. *No release of assignor from liabilities*. Unless otherwise provided in a limited liability company agreement, whether or not an assignee of a limited liability company interest becomes a member, the assignor is not released from his liability to a limited liability company under Subchapters V and VI of this Act.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.7.5. Powers of estate of deceased or incompetent member.

If a member who is an natural person dies or a court of competent jurisdiction adjudges the member to be incompetent to manage the member's person or his property, the member's executor, administrator, guardian, conservator or personal representative may exercise all of the member's rights for the purpose of settling the member's estate or administering the member's property, including any power under a limited liability company agreement of an assignee to

become a member. If a member is a corporation, trust or other entity and is dissolved or terminated, the powers of that member may be exercised by its legal representative or successor or personal representative.

Effective: November 26, 1999; amended effective June 19, 2002.

CHAPTER 14.

SUBCHAPTER VIII.

DISSOLUTION

§14.8.1. Dissolution.
§14.8.2. Involuntary dissolution.
§14.8.3. Judicial dissolution.
§14.8.4. Winding up.
§14.8.5. Distribution of assets.
§14.8.6. Trustees or receivers for limited liability companies; appointment; powers; duties.
§14.8.7. Revocation of dissolution.

§14.8.1. Dissolution.

1. *Occurrence of dissolution*. A limited liability company is dissolved and its affairs shall be wound up upon the first to occur of the following:

(a) At the time specified in a limited liability company agreement, but, if no such time is set forth in the limited liability company agreement, then the limited liability company shall have a perpetual existence;

(b) Upon the happening of events specified in the limited liability company agreement;

(c) Unless otherwise provided in a limited liability company agreement:

(i) For a limited liability company formed on or after the effective date of the 2020 Amendment Act, upon the vote or written consent of the members who own more than fifty percent (50%) of the then current percentage or other interest in the profits of the limited liability company owned

(ii) For a limited liability company formed before the effective date of the 2020 Amendment Act, upon the unanimous vote or written consent of the members.

(d) At any time there are no members; provided, that the limited liability company is not dissolved and is not required to be wound up if:

(i) Unless otherwise provided in a limited liability company agreement, within ninety (90) days or such other period as is provided for in the limited liability company agreement after the occurrence of the event that terminated the continued membership of the last remaining member, the personal representative of the last remaining member agrees to continue the limited liability company and to the admission of the personal representative of such member or its nominee or designee to the limited liability company as a member, effective as of the occurrence of the event that terminated the continued membership of the last remaining member; provided, that a limited liability company agreement may provide that the personal representative of the last remaining member shall be obligated to agree to continue the limited liability company and to the admission of the personal representative of such member or its nominee or designee to the limited liability company as a member, effective as of the occurrence of the event that terminated the continued membership of the last remaining member, or

(ii) A member is admitted to the limited liability company in the manner provided for in the limited liability company agreement, effective as of the occurrence of the event that terminated the continued membership of the last remaining member, within 90 days or such other period as is provided for in the limited liability company agreement after the occurrence of the event that terminated the continued membership of the last remaining member, pursuant to a provision of the limited liability company agreement that specifically provides for the admission of a member to the limited liability company after there is no longer a remaining member of the limited liability company.

(e) The entry of a decree of judicial dissolution under Section 14.8.3.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.8.2. Involuntary dissolution.

1. Dissolution on failure to comply. On (i) failure of a limited liability company to pay the annual registration fee, (ii) to maintain a registered agent for a period of one (1) year or (iii) to provide records requested in accordance with Section 14.3.5 after six (6) months has elapsed since the request to provide such records, the Registrar or the Deputy Registrar shall cause a notification to be sent to the limited liability company through its last recorded registered agent that its certificate of formation will be revoked unless within ninety (90) days of the date of the notice, payment of the annual registration fee has been received, a registered agent has been reappointed or the Registrar or the Deputy Registrar is satisfied that the records requested have been provided, as the case may be. On the expiration of the ninety (90) day period, the Registrar or the Deputy Registrar, in the event the limited liability company has not remedied its default, may issue a proclamation declaring that the certificate of formation of the limited liability company has been revoked, and the limited liability company dissolved, as of the date stated in the proclamation. The proclamation of the Registrar or the Deputy Registrar shall be filed in his office and he shall mark on the certificate of formation of the limited liability company, named in the proclamation the date of dissolution or revocation, and shall give notice thereof to the last recorded registered agent. Thereupon the affairs of the limited liability company shall be wound up in accordance with the procedures provided in this Act.

2. Upon completion of the winding up of a limited liability company in accordance with Section 14.8.2, a certificate of cancellation shall be filed in accordance with Section 14.2.3.

3. *Erroneous dissolution*. Whenever it is established to the satisfaction of the Registrar or the Deputy Registrar that the certificate of formation was erroneously revoked, he may restore the limited liability company to full existence by publishing and filing in his office a proclamation to that effect.

4. *Petition to reinstate*. Whenever the certificate of formation of a limited liability company has been revoked and the limited liability company dissolved pursuant to Section 14.8.2, the limited liability company may request the Registrar or the Deputy Registrar to reinstate the

limited liability company. After the Registrar or the Deputy Registrar is satisfied that all arrears of statutory fees have been paid, that the limited liability company has retained a registered agent, that the limited liability company has provided the requested records and that fees in respect of the period from the date of dissolution or revocation to the date on which rescission is to take place have been paid to the former registered agent, the Registrar or the Deputy Registrar may restore the limited liability company to full existence or reinstate the foreign limited liability company's authorization to do business, as the case may be.

5. Unless otherwise provided in a limited liability company agreement, the death, retirement, resignation, expulsion, bankruptcy or dissolution of any member or the occurrence of an event that terminates the continued membership of any member shall not cause the limited liability company to be dissolved or its affairs to be wound up, and upon the occurrence of any such event, the limited liability company shall be continued without dissolution.

Effective: November 26, 1999; amended effective June 19, 2002; amended effective May 6, 2016

§14.8.3. Judicial dissolution.

On application by or for a member or manager, a court of competent jurisdiction in Liberia may decree dissolution of a limited liability company whenever it is not reasonably practicable to carry on the business in conformity with a limited liability company agreement. Notwithstanding any other provision of this Act, a court outside Liberia shall not dissolve a limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.8.4. Winding up.

1. *Procedure for winding up*. Unless otherwise provided in a limited liability company agreement, a manager who has not wrongfully dissolved a limited liability company or, if none, the members or a person approved by the members, in either case, by members who own more than fifty percent (50%) of the then current percentage or other interest in the profits of the limited liability company owned by all of the members, may wind up the limited liability company's affairs; but a court of competent jurisdiction in Liberia, upon cause shown, may wind

up the limited liability company's affairs upon application of any member or manager, or the member's personal representative or assignee, and in connection therewith, may appoint a liquidating trustee.

2. *Continuation after cancellation*. Upon dissolution of a limited liability company and until the filing of a certificate of cancellation as provided in Section 14.2.3, the persons winding up the limited liability company's affairs may, in the name of, and for and on behalf of, the limited liability company, prosecute and defend suits, whether civil, criminal or administrative, gradually settle and close the limited liability company's business, dispose of and convey the limited liability company's property, discharge or make reasonable provision for the limited liability company's liabilities, and distribute to the members any remaining assets of the limited liability company, all without affecting the liability of members and managers and without imposing liability on a liquidating trustee.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.8.5. Distribution of assets.

1. *Priority in distribution*. Upon the winding up of a limited liability company, the assets shall be distributed as follows:

(a) To creditors, including members and managers who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the limited liability company (whether by payment or the making of reasonable provision for payment thereof) other than liabilities for which reasonable provision for payment has been made and liabilities for distributions to members and former members under Sections 14.6.1 or 14.6.4;

(b) Unless otherwise provided in a limited liability company agreement, to members and former members in satisfaction of liabilities for distributions under Sections 14.6.1 or 14.6.4; and

(c) Unless otherwise provided in a limited liability company agreement, to members first for the return of their contributions and second respecting their limited

liability company interests, in the proportions in which the members share in distributions.

2. *Obligation to pay creditors*. A limited liability company which has dissolved:

(a) shall pay or make reasonable provision to pay all claims and obligations, including all contingent, conditional or unmatured contractual claims and obligations, known to the limited liability company;

(b) Shall make such provision as will be reasonably likely to be sufficient to provide compensation for any claim against the limited liability company which is the subject of a pending action, suit or proceeding to which the limited liability company is a party; and

(c) Shall make such provision as will be reasonably likely to be sufficient to provide compensation for claims that have not been made known to the limited liability company or that have not arisen but that, based on facts known to the limited liability company, are likely to arise or to become known to the limited liability company within ten (10) years after the date of dissolution.

If there are sufficient assets, such claims and obligations shall be paid in full and any such provision for payment made shall be made in full. If there are insufficient assets, such claims and obligations shall be paid or provided for according to their priority and, among claims of equal priority, ratably to the extent of assets available therefor. Unless otherwise provided in the limited liability company agreement, any remaining assets shall be distributed as provided in this Act. Any liquidating trustee winding up a limited liability company's affairs who has complied with Section 14.8.5 shall not be personally liable to the claimants of the dissolved limited liability company by reason of such person's actions in winding up the limited liability company.

3. A member who receives a distribution in violation of Section 14.8.5.1, and who knew at the time of the distribution that the distribution violated Section 14.8.5.1, shall be liable to the limited liability company for the amount of the distribution. For purposes of the immediately preceding sentence, the term “distribution" shall not include amounts constituting reasonable compensation for present or past services or reasonable payments made in the ordinary course of

business pursuant to a bona fide retirement plan or other benefits program. A member who receives a distribution in violation of Section 14.8.5.1, and who did not know at the time of the distribution that the distribution violated Section 14.8.5.1, shall not be liable for the amount of the distribution. Subject to Section 14.8.5.4, Section 14.8.5.3 shall not affect any obligation or liability of a member under an agreement or other applicable law for the amount of a distribution.

4. Unless otherwise agreed, a member who receives a distribution from a limited liability company to which Section 14.8.5 applies shall have no liability under this Act or other applicable law for the amount of the distribution after the expiration of three years from the date of the distribution unless an action to recover the distribution from such member is commenced prior to the expiration of the said three (3) year period and an adjudication of liability against such member is made in the said action.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.8.6. Trustees or receivers for limited liability companies; appointment; powers; duties.

When the certificate of formation of any limited liability company formed under this Act shall be cancelled by the filing of a certificate of cancellation pursuant to Section 14.2.3, a Liberian court of competent jurisdiction, on application of any creditor, member or manager of the limited liability company, or any other person who shows good cause therefor, at any time, may either appoint one or more of the managers of the limited liability company to be trustees, or appoint one or more persons to be receivers, of and for the limited liability company, to take charge of the limited liability company's property, and to collect the debts and property due and belonging to the limited liability company, with the power to prosecute and defend, in the name of the limited liability company, or otherwise, all such suits as may be necessary or proper for the purposes aforesaid, and to appoint an agent or agents under them, and to do all other acts which might be done by the limited liability company, if in being, that may be necessary for the final settlement of the unfinished business of the limited liability company. The powers of the trustees or receivers may be continued as long as a Liberian court shall think necessary for the purposes aforesaid.

§14.8.7. Revocation of dissolution.

1. If a limited liability company agreement provides the manner in which a dissolution may be revoked, it may be revoked in that manner and, unless a limited liability company agreement prohibits revocation of dissolution, then notwithstanding the occurrence of an event set forth in Sections 14.8.1.1(a), (b), (c) or (d), the limited liability company shall not be dissolved and its affairs shall not be wound up if, prior to the filing of a certificate of cancellation with the Registrar or Deputy Registrar, the limited liability company is continued, effective as of the occurrence of such event:

(a) In the case of dissolution effected by the vote or consent of the members or other persons, pursuant to such vote or consent and the approval of any members or other persons whose approval is required under the limited liability company agreement to revoke a dissolution contemplated by Section 14.8.7;

(b) In the case of dissolution under Sections 14.8.1.1(a) or (b), other than a dissolution effected by the vote or consent of the members or other persons or the occurrence of an event that causes the last remaining member to cease to be a member, pursuant to such vote or consent that, pursuant to the terms of the limited liability company agreement, is required to amend the provision of the limited liability company agreement effecting such dissolution and the approval of any members or other persons whose approval is required under the limited liability company agreement to revoke a dissolution contemplated by Section 14.8.7; and

(c) In the case of dissolution effected by the occurrence of an event that causes the last remaining member to cease to be a member, pursuant to the vote or consent of the personal representative of the last remaining member of the limited liability company or the assignee of all of the limited liability company interests in the limited liability company, and the approval of any other persons whose approval is required under the limited liability company agreement to revoke a dissolution contemplated by Section 14.8.7.

2. If there is no remaining member of the limited liability company and the personal representative of the last remaining member or the assignee of all of the limited liability company interests in the limited liability company votes in favor of or consents to the continuation of the limited liability company, such personal representative or such assignee, as applicable, shall be required to agree to the admission of a nominee or designee as a member, effective as of the occurrence of the event that terminated the continued membership of the last remaining member. The provisions of Section 14.8.7 shall not be construed to limit the accomplishment of a revocation of dissolution by other means permitted by law.

CHAPTER 14.

SUBCHAPTER IX.

DERIVATIVE ACTIONS

§14.9.1. Right to bring action.
§14.9.2. Proper plaintiff.
§14.9.3. Complaint.
§14.9.4. Expenses.

§14.9.1. Right to bring action.

A member or an assignee of a limited liability company interest may bring an action in any court of competent jurisdiction in the right of a limited liability company to recover a judgment in its favor if managers or members with authority to do so have refused to bring the action or if an effort to cause those managers or members to bring the action is not likely to succeed.

Prior legislation: §14.10.1, effective November 26, 1999; amended effective June 19, 2002.

§14.9.2. Proper plaintiff.

In a derivative action, the plaintiff must be a member or an assignee of a limited liability company interest at the time of bringing the action and:

(a) At the time of the transaction of which the plaintiff complains; or

(b) The plaintiff's status as a member or an assignee of a limited liability company interest had devolved upon the plaintiff by operation of law or pursuant to the terms of a limited liability company agreement from a person who was a member or an assignee of a limited liability company interest at the time of the transaction.

Prior legislation: §14.10.2, effective November 26, 1999; amended effective June 19, 2002.

§14.9.3. Complaint.

In a derivative action, the complaint shall set forth with particularity the effort, if any, of the plaintiff to secure initiation of the action by a manager or member or the reasons for not making the effort.

Prior legislation: §14.10.3, effective November 26, 1999; amended effective June 19, 2002.

§14.9.4. Expenses.

If a derivative action is successful, in whole or in part, as a result of a judgment, compromise or settlement of any such action, the court may award the plaintiff reasonable expenses, including reasonable attorney's fees, from any recovery in any such action or from a limited liability company.

Prior legislation: §14.10.4, effective November 26, 1999; amended effective June 19, 2002.

CHAPTER 14.

SUBCHAPTER X.

MISCELLANEOUS

§14.10.1. Construction and application of Chapter and limited liability company agreements.
§14.10.2. Severability.
§14.10.3. Cases not provided for in this Chapter.
§14.10.4. Fees associated with limited liability companies.
§14.10.5. Foreign limited liability companies.

§14.10.1. Construction and application of Chapter and limited liability company agreements.

1. *Application of rules of construction*. The rule that statutes in derogation of the common law are to be strictly construed shall have no application to this Chapter.

2. *Freedom of contract*. It is the policy of this Chapter to give the maximum effect to the principle of freedom of contract and to the enforceability of limited liability company agreements.

3. *Liability of members and managers*. To the extent that, at law or in equity, inclusive of common and statutory law, a member or manager or other person has duties, including fiduciary duties, to a limited liability company or to another member or manager or to another person that is a party to or is otherwise bound by a limited liability company agreement, the member's or manager's or other person's duties may be expanded or restricted or eliminated by provisions in the limited liability company agreement; provided, that the limited liability company agreement may not eliminate the implied contractual covenant of good faith and fair dealing.

4. *No liability for good faith reliance*. Unless otherwise provided in a limited liability company agreement, a member or manager or other person shall not be liable to a limited liability company or to another member or manager or to another person that is a party to or is otherwise bound by a limited liability company agreement for breach of fiduciary duty for the member's or manager's or other person's good faith reliance on the provisions of the limited liability company agreement.

5. *Limitation of duties*. A limited liability company agreement may provide for the limitation or elimination of any and all liabilities for breach of contract and breach of duties, including fiduciary duties, of a member, manager or other person to a limited liability company or to another member or manager or to another person that is a party to or is otherwise bound by a limited liability company agreement; provided, that a limited liability company agreement may not limit or eliminate liability for any act or omission that constitutes a bad faith violation of an implied contractual covenant of good faith and fair dealing.

6. *Singular and plural*. Unless the context otherwise requires, as used herein, the singular shall include the plural and the plural may refer to only the singular. The use of any gender shall be applicable to all genders. The captions contained herein are for purposes of convenience only and shall not control or affect the construction of this Act.

7. *Provisions independent*. Action validly taken pursuant to one provision of this Act shall not be deemed invalid solely because it is identical or similar in substance to an action that could have been taken pursuant to some other provision of this Act but fails to satisfy one or more requirements prescribed by such other provision.

8. *Applicability of Liberian law; Jurisdiction*. A limited liability company agreement that provides for the application of Liberian law shall be governed by and construed under the laws of Liberia in accordance with its terms. In a written limited liability company agreement or other writing, a member or manager may consent to be subject to the nonexclusive jurisdiction of the courts of, or arbitration in, a specified jurisdiction, and to be served with legal process in the manner prescribed in such limited liability company agreement or other writing. Any action to interpret, apply or enforce the provisions of a limited liability company agreement, or the duties, obligations or liabilities of a limited liability company to the members of the limited liability company, or the duties, obligations or liabilities among members or managers and of members or managers to the limited liability company, or the rights or powers of, or restrictions on, the limited liability company or members or manager, or any provisions of this Act, or any other instrument, document, agreement or certificate contemplated by any provision of this Act may be brought in any court of competent jurisdiction.

9. *Chapter Applies for Single Member Limited Liability Companies*. The provisions of this Chapter shall apply whether a limited liability company has one member or more than one member.

10. *Chapter applies to all limited liability companies*. This Chapter applies to every resident and non-resident limited liability company and to every foreign limited liability company authorized to do business or doing business in Liberia; but the provisions of this Chapter shall not alter or amend the certificate of formation of any domestic limited liability company in existence on the effective date of this Act, whether established by formation or created by special act. Every domestic limited liability company created prior to the effective date of this Chapter shall be subject to this Chapter.

11. *No Effect on Existing Rights or Actions*. This Chapter shall not affect any cause of action, liability, penalty, or action or special proceeding which on the effective date of this Chapter is accrued, existing, incurred or pending, but the same may be asserted, enforced, prosecuted, or defended as if this Chapter had not been enacted.

12. *Short title*. Chapter 14 of this Title shall be known and may be cited as the "Limited Liability Company Act." References in Chapter 14 to "this Act" mean the Limited Liability Company Act.

13. *Contested issues*. Upon application of any member or manager, any court of competent jurisdiction may hear and determine the result of any vote of members or managers upon matters as to which the members or managers of the limited liability company, or any class or group of members or managers, have the right to vote pursuant to the limited liability company agreement or other agreement or this Act. In any such application, the limited liability company shall be named as a party and service of the application upon the registered agent of the limited liability company shall be deemed to be service upon the limited liability company, and no other party need be joined in order for the relevant court to adjudicate the result of the vote. The relevant court may make such order respecting further or other notice of such application as it deems proper under the circumstances. Nothing herein contained limits or affects the right to serve process in any other manner now or hereafter provided by law. Section 14.10.1.13 is an

extension of and not a limitation upon the right otherwise existing of service of legal process upon non-residents.

14. *Adoption of Delaware case law*. This Act shall be applied and construed to make the laws of Liberia, with respect to the subject matter hereof, uniform with the laws of the State of Delaware of the United States of America. Insofar as it does not conflict with any other provision of this Act or the decisions of the courts of the Republic of Liberia, both of which shall take precedence, the non-statutory law of the State of Delaware with respect to the subject matter hereof is hereby adopted as Liberian law, and the courts of Liberia are authorized and directed to apply such Delaware law in resolving any issue before such courts. Section 40 of the General Construction Law (Reception Statute), Title 15, 1956 Code shall not apply with regards to the interpretation of this Act.

Prior legislation: §14.11.1, effective November 26, 1999; amended effective June 19, 2002.

§14.10.2. Severability.

If any provision of this Chapter or its application to any person or circumstances is held invalid, the invalidity does not affect other provisions or applications of the Chapter which can be given effect without the invalid provision or application, and to this end, the provisions of this Chapter are severable.

Prior legislation: §14.11.3, effective November 26, 1999; amended effective June 19, 2002.

§14.10.3. Cases not provided for in this Chapter.

In any case not provided for in this Chapter, the rules of law and equity, including the rules of law and equity relating to fiduciary duties and the law merchant, shall govern.

Prior legislation: §14.11.4, effective November 26, 1999; amended effective June 19, 2002.

§14.10.4. Fees associated with limited liability companies.

1. *Annual registration fee*. Every limited liability company shall pay an annual registration fee of US$150.

2. *Application of Chapter 1*. The provisions of Section 1.7 of this Title, except Section 1.7.1 thereof, shall apply to limited liability companies as they apply to corporations with the substitution of references to limited liability companies for references to corporations and references to members and managers for references to shareholders and directors and officers.

Prior legislation: §14.11.7, effective November 26, 1999; amended effective June 19, 2002.

§14.10.5. Foreign limited liability companies.

1. The provisions of Chapter 12 of this Title shall apply to foreign limited liability companies seeking to be authorized or authorized as they apply to foreign corporations with the substitution of references to limited liability companies for references to corporations and references to members and managers for references to shareholders and directors and officers and with substitution of references to relevant sections of this Chapter for references therein to provisions in respect of corporations.

2. To the extent provided for therein, the provisions of Sections 14.3.5 and 14.8.2 of this Act shall apply to foreign limited liability companies authorized to do business in the Republic of Liberia

Effective: June 19, 2002; amended effective May 6, 2016