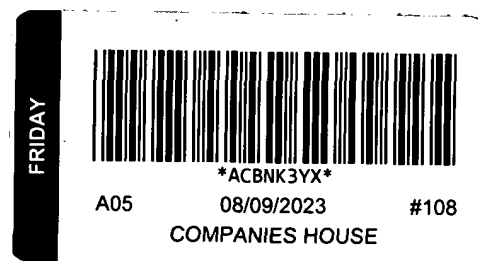


# ARTICLES OF ASSOCIATION

SMALL & CO. (SHIPPING) LIMITED

849727



# **THE COMPANIES ACT 2006**

## **PRIVATE COMPANY LIMITED BY SHARES**

### **ARTICLES OF ASSOCIATION OF SMALL & CO. (SHIPPING) LIMITED**

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## **PART 1**

### **INTERPRETATION AND LIMITATION OF LIABILITY**

#### **1. Defined terms**

"articles"	means the Company's articles of association;
"bankruptcy"	includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
"Companies Acts"	means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company;
"director"	means a director of the Company, and includes any person occupying the position of director, by whatever name called;
"document"	includes, unless otherwise specified, any document sent or supplied in electronic form;
"fully paid"	in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share has been paid to the Company;
"hard copy form"	has the meaning given in section 1168 of the Companies Act 2006;
"holder"	in relation to shares means the person whose name is entered on the register of members as the holder of the shares;
"instrument"	means a document in hard copy form;
"ordinary resolution"	has the meaning given in section 282 of the Companies Act 2006;
"paid"	means paid or credited as paid;
"participate"	in relation to a directors' meeting, has the meaning given in article 12.1;
"proxy notice"	as the meaning given in article 44.1;
"shareholder"	means a person who is the holder of a share;
"shares"	means shares in the Company;
"special resolution"	has the meaning given in section 283 of the Companies Act 2006;
"subsidiary"	has the meaning given in section 1159 of the Companies Act 2006;
"transmittee"	means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and
"writing"	means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the Company.

#### **2. Exclusion of Model Articles**

No Articles set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies shall apply as the Articles.

**3. Liability of members**

The liability of the member is limited to the amount, if any, unpaid on the shares held by them.

**4. Company name**

The name of the Company may be changed by:-

- 4.1 special resolution of the members;
- 4.2 a decision of the directors; or
- 4.3 otherwise in accordance with the Act.

**PART 2**

**DIRECTORS**

**DIRECTORS' POWERS AND RESPONSIBILITIES**

**5. Directors' general authority**

- 5.1 Subject to the articles, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

**6. Shareholders' reserve power**

- 6.1 The shareholders may, by special resolution, direct the directors to take, or refrain from taking specified action.
- 6.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

**7. Directors may delegate**

- 7.1 Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:-

- (a) to such person or committee;
- (b) by such means (including by power of attorney); and
- (c) to such an extent;
- (d) in relation to such matters or territories; and
- (e) on such terms and conditions

as they think fit.

- 7.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

- 7.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

**8. Committees**

8.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.

8.2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

**9. Directors to take decisions collectively**

9.1 The general rule about decision making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 10.

**10. Unanimous decisions**

10.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

10.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.

10.3 References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting (but exclude, in respect of the authorisation of a Conflict of Interest, the director subject to that Conflict of Interest).

10.4 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

**11. Calling a directors' meeting**

11.1 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

11.2 Notice of a directors' meeting must be given to each director, but need not be in writing.

**12. Participation in directors' meetings**

12.1 Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:-

- (a) the meeting has been called and takes place in accordance with the articles, and
- (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

12.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

12.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

**13. Quorum for directors' meetings**

13.1 The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.

13.2 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting or where it is proposed to authorise a Conflict of Interest in respect of one or more directors. If there is only one director in office other than the director or

directors subject to the Conflict of Interest, the quorum for such meeting or part of a meeting shall be one director.

- 13.3 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision:-

- (a) to appoint further directors; or
- (b) to call a general meeting so as to enable the shareholders to appoint further directors.

#### **14. Proceedings of directors**

- 14.1 Subject to article 14.2, notwithstanding the fact that a proposed decision of the directors concerns or relates to any matter in which a director has, or may have, directly or indirectly, any kind of interest whatsoever, that director may participate in the decision-making process for both quorum and voting purposes.

- 14.2 If the directors propose to exercise their power under section 175(4)(b) of the Companies Act 2006 to authorise a director's Conflict of Interest, the director facing the conflict is not to be counted as participating in the decision to authorise the conflict for quorum or voting purposes.

- 14.3 Subject to the provisions of the Companies Act 2006, and provided that (if required to do so by the said Act) he has declared to the directors the nature and extent of any direct or indirect interest of his, a director, notwithstanding his office:-

- (a) may be a party to or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may be a director or other officer or an employee of, or a party to any transaction or arrangement with, or otherwise interested in, any subsidiary of the Company or body corporate in which the Company is interested; and
- (c) is not accountable to the Company for any remuneration or other benefits which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no transaction or arrangement is liable to be avoided on the ground of any such remuneration, benefit or interest.

- 14.4 The directors may appoint a director to chair their meetings. The directors may terminate the chair's appointment at any time.

- 14.5 If, in the event that the numbers of votes for and against a proposal are equal, the chair or other director chairing the meeting has no casting vote.

- 14.6 The directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

### **APPOINTMENT OF DIRECTORS**

#### **15. Methods of appointing directors**

- 15.1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:-

- (a) by ordinary resolution, or
- (b) by a decision of the directors.

- 15.2 In any case where, as a result of death, the Company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.

- 15.3 For the purposes of article 15.2, where two or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

**16. Termination of director's appointment**

- 16.1 A person ceases to be a director as soon as:-

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that the person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- (f) notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms; or
- (g) a person ceases to be a director as soon as that person has for more than six consecutive months been absent without permission of the directors from meetings of directors held during that period and the directors make a decision to vacate that person's office.

**17. Directors' expenses**

- 17.1 The Company may pay any reasonable expenses which the directors and/or any alternate directors properly incur in connection with their attendance at:

- (a) meetings of directors or committees of directors;
- (b) general meetings; or
- (c) separate meetings of the holders of any class of shares or of debentures of the Company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

**18. Company secretary**

- 18.1 The directors may appoint a company secretary to the Company for such period, for such remuneration and upon such conditions as they think fit, and any company secretary so appointed by the directors may be removed by them.

**19. Alternate directors**

- 19.1 (a) Any director (the "appointor") may appoint as an alternate any other director, or any other person approved by a decision of the directors, to:-

- (i) exercise that director's powers; and
- (ii) carry out that director's responsibilities,

in relation to the taking of decisions by the directors in the absence of the alternate's appointor.



- (b) Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors. The notice must:-
    - (i) identify the proposed alternate; and
    - (ii) in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of his appointor.
- 19.2
- (a) An alternate director has the same rights to participate in any directors' meeting or decision of the directors reached as the alternate's appointor in accordance with article 10, as the alternate's appointor.
  - (b) Except as these articles specify otherwise, alternate directors:-
    - (i) are deemed for all purposes to be directors;
    - (ii) are liable for their own acts or omissions;
    - (iii) are subject to the same restrictions as their appointors; and
    - (iv) are not deemed to be agents of or for their appointors.
  - (c) A person who is an alternate director but not a director:-
    - (i) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating); and
    - (ii) may sign or otherwise signify his agreement in writing to a written resolution in accordance with article 10 (but only if that person's appointor has not signed or otherwise signified his agreement to such written resolution).

No alternate may be counted as more than one director for such purposes.
  - (d) An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the remuneration payable to that alternate's appointor as the appointor may direct by notice in writing made to the Company.
- 19.3 An alternate director's appointment as an alternate terminates:-
- (a) when his appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
  - (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor would result in the termination of the appointor's office as director;
  - (c) on the death of his appointor; or
  - (d) when his appointor's appointment as a director terminates.

### **PART 3**

#### **SHARES AND DISTRIBUTION**

#### **20. Issue of shares**

20.1 Shares may be issued as nil, partly or fully paid.

- 20.2 (a) Unless the members of the Company by special resolution direct otherwise, all shares which the directors propose to issue must first be offered to the members in accordance with the following provisions of this article.
- (b) Shares must be offered to members in proportion as nearly as may be to the number of existing shares held by them respectively.
- (c) The offer shall be made by notice specifying the number of shares offered, and limiting a period (not being less than 14 days) within which the offer, if not accepted, will be deemed to be declined.
- (d) After the expiration of the period referred to in (c) above, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; and such further offer shall be made in the like terms in the same manner and limited by a like period as the original offer.
- (e) Any shares not accepted pursuant to the offer referred to in (c) and the further offer referred to in (d) or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this article by any such special resolution as aforesaid shall be under the control of the directors, who may allot, grant options over or dispose of the same to such persons, on such terms, and in such manner as they think fit.
- 20.3 In accordance with section 567 of the Companies Act 2006, sections 561 and 562 of the said Act are excluded.

## **21. Powers to issue different classes of share**

- 21.1 Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- 21.2 The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

## **22. Lien**

- 22.1 The Company has a first and paramount lien on all shares (whether or not such shares are fully paid) standing registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder thereof or is one of two or more joint holders, for all moneys payable by him or his estate to the Company (whether or not such moneys are presently due and payable).
- 22.2 The Company's lien over shares:-
- (a) takes priority over any third party's interest in such shares; and
- (b) extends to any dividend or other money payable by the Company in respect of such shares and (if the Company's lien is enforced and such shares are sold by the Company) the proceeds of sale of such shares.
- 22.3 The directors may at any time decide that a share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part.
- 22.4 (a) Subject to the provisions of this article, if:-
- (i) a notice of the Company's intention to enforce the lien ("lien enforcement notice") has been sent in respect of the shares; and

- (ii) the person to whom the lien enforcement notice was sent has failed to comply with it,

the Company may sell those shares in such manner as the directors decide.

(b) A lien enforcement notice:-

- (i) may only be sent in respect of shares if a sum is payable to the Company by the sole registered holder or one of two or more joint registered holders of such shares and the due date for payment of such sum has passed;
- (ii) must specify the shares concerned;
- (iii) must include a demand for payment of the sum payable within 14 days;
- (iv) must be addressed either to the holder of such shares or to a person entitled to such shares by reason of the holder's death, bankruptcy or otherwise; and
- (v) must state the Company's intention to sell the shares if the notice is not complied with.

(c) If shares are sold under this article:-

- (i) the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
- (ii) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

(d) The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:-

- (i) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice; and
- (ii) second, in payment to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the Company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the Company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice.

(e) A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been sold to satisfy the Company's lien on a specified date:-

- (i) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
- (ii) subject to compliance with any other formalities of transfer required by these articles or by law, constitutes a good title to the share.

**23. Calls on shares and forfeiture**

23.1 (a) Subject to these articles and the terms on which shares are allotted, the directors may send a notice (a "call notice") to a member requiring the member to pay the Company a specified sum of money (a "call") which is payable in respect of shares which that member holds at the date when the directors decide to send the call notice.

(b) A call notice:-

- (i) may not require a member to pay a call which exceeds the total sum unpaid on that member's shares (whether as to the share's nominal value or any amount payable to the Company by way of premium);
    - (ii) must state when and how any call to which it relates is to be paid; and
    - (iii) may permit or require the call to be paid by instalments.
  - (c) A member must comply with the requirements of a call notice, but no member is obliged to pay any call before 14 days have passed since the call notice was sent.
  - (d) Before the Company has received any call due under a call notice the directors may:-
    - (i) revoke it wholly or in part; or
    - (ii) specify a later time for payment than is specified in the call notice,
 by a further notice in writing to the member in respect of whose shares the call was made.
- 23.2
- (a) Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which the call is required to be paid.
  - (b) Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.
  - (c) Subject to the terms on which shares are allotted, the directors may, when issuing shares, make arrangements for a difference between the holders in the amounts and times of payment of calls on their shares.
- 23.3
- (a) A call notice need not be issued in respect of sums which are specified, in the terms on which a share is allotted, as being payable to the Company in respect of that share (whether in respect of nominal value or premium):-
    - (i) on allotment;
    - (ii) on the occurrence of a particular event; or
    - (iii) on a date fixed by or in accordance with the terms of issue.
  - (b) But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.
- 23.4
- (a) If a person is liable to pay a call and fails to do so by the call payment date:-
    - (i) the directors may send a notice of forfeiture (a "forfeiture notice") to that person; and
    - (ii) until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate.
  - (b) For the purposes of this article:-
    - (i) the "call payment date" is the date on which the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "call payment date" is that later date; and

- (ii) the "relevant rate" is the rate fixed by the terms on which the share in respect of which the call is due was allotted or, if no such rate was fixed when the share was allotted, five percent per annum.
- (c) The relevant rate must not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.
- (d) The directors may waive any obligation to pay interest on a call wholly or in part.

23.5 A forfeiture notice:-

- (a) may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;
- (b) must be sent to the holder of that share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise;
- (c) must require payment of a call and any accrued interest by a date which is not less than 14 days after the date of the forfeiture notice;
- (d) must state how the payment is to be made; and
- (e) must state that if the forfeiture notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

23.6 If a forfeiture notice is not complied with before the date by which payment of the call is required in the forfeiture notice, the directors may decide that any share in respect of which it was given is forfeited and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

23.7 (a) Subject to the following provisions of this article 23.7, the forfeiture of a share extinguishes:-

- (i) all interests in that share, and all claims and demands against the Company in respect of it; and
- (ii) all other rights and liabilities incidental to the share as between the person in whose name the share is registered and the Company.

(b) Any share which is forfeited:-

- (i) is deemed to have been forfeited when the directors decide that it is forfeited;
- (ii) is deemed to be the property of the Company; and
- (iii) may be sold, re-allotted or otherwise disposed of as the directors think fit.

(c) If a person's shares have been forfeited:-

- (i) the Company must send that person notice that forfeiture has occurred and record it in the register of members;
- (ii) that person ceases to be a member in respect of those shares;
- (iii) that person must surrender the certificate for the shares forfeited to the Company for cancellation;

- (iv) that person remains liable to the Company for all sums due and payable by that person at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and
    - (v) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
  - (d) At any time before the Company disposes of a forfeited share, the directors may decide to cancel the forfeiture on such terms as they think fit.
- 23.8
- (a) If a forfeited share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.
  - (b) A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been forfeited on a specified date:-
    - (i) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
    - (ii) subject to compliance with any other formalities of transfer required by these articles or by law, constitutes a good title to the share.
  - (c) A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.
  - (d) If the Company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which:-
    - (i) was, or would have become, payable; and
    - (ii) had not, when that share was forfeited, been paid by that person in respect of that share,
 but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.
- 23.9
- (a) A member may surrender any share:-
    - (i) in respect of which the directors may issue a forfeiture notice;
    - (ii) which the directors may forfeit; or
    - (iii) which has been forfeited.
  - (b) The directors may accept the surrender of any such share.
  - (c) The effect of surrender on a share is the same as the effect of forfeiture on that share.
  - (d) A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

## **24. Share certificates**

- 24.1 (a) The Company must issue each member with one or more certificates in respect of the shares which that member holds.

- (b) Except as is otherwise provided in these articles, all certificates must be issued free of charge.
  - (c) No certificate may be issued in respect of shares of more than one class.
  - (d) A member may request the Company, in writing, to replace:-
    - (i) the member's separate certificates with a consolidated certificate; or
    - (ii) the member's consolidated certificate with two or more separate certificates.
  - (e) When the Company complies with a request made by a member under (d) above, it may charge a reasonable fee as the directors decide for doing so.
- 24.2 (a) Every certificate must specify:-
- (i) in respect of how many shares, of what class, it is issued;
  - (ii) the nominal value of those shares;
  - (iii) whether the shares are nil, partly or fully paid; and
  - (iv) any distinguishing numbers assigned to them.
- (b) Certificates must:-
- (i) have affixed to them the Company's common seal; or
  - (ii) be otherwise executed in accordance with the Companies Acts.

## **25. Consolidation of shares**

- 25.1 (a) This article applies in circumstances where:-
- (i) there has been a consolidation of shares; and
  - (ii) as a result, members are entitled to fractions of shares.
- (b) The directors may:-
- (i) sell the shares representing the fractions to any person including the Company for the best price reasonably obtainable; and
  - (ii) authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser.
- (c) Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the directors, that member's portion may be distributed to an organisation which is a charity for the purposes of the law of England and Wales, Scotland or Northern Ireland.
- (d) A person to whom shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.
- (e) The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale.

## **26. Transmission of shares**

- 26.1 If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.

26.2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require:-

- (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person; and
- (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

26.3 But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

26.4 Nothing in these articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member.

26.5 All the articles relating to the transfer of shares apply to:-

- (a) any notice in writing given to the Company by a transmittee; and
- (b) any instrument of transfer executed by a transmittee,

as if such notice or instrument were an instrument of transfer executed by the person from whom the transmittee derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

## **27. Share transfers**

- 27.1 (a) Shares may be transferred by means of an instrument of transfer in any usual form approved by the directors, which is executed by or on behalf of the transferor and, if any of the shares is nil or partly paid, the transferee.
- (b) The directors may refuse to register the transfer of a share, and, if they do so, the instrument of transfer must be returned to the transferee together with a notice of refusal giving reasons for such refusal as soon as practicable and in any event within two months after the date on which the instrument of transfer was lodged for registration, unless the directors suspect that the proposed transfer may be fraudulent.

## **28. Procedure for declaring dividends**

- 28.1 The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 28.2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- 28.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 28.4 Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- 28.5 If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 28.6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.



28.7 If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

**29. Payment of dividends and other distributions**

29.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:-

- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
- (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
- (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

29.2 In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable:-

- (a) the holder of the share; or
- (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

**30. No interest on distributions**

30.1 The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:-

- (a) the terms on which the share was issued, or
- (b) the provisions of another agreement between the holder of that share and the company.

**31. Unclaimed distributions**

31.1 All dividends or other sums which are:-

- (a) payable in respect of shares, and
- (b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

31.2 The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.

31.3 If:

(a) twelve years have passed from the date on which a dividend or other sum became due for payment, and

(b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

### **32. Non-cash distributions**

32.1 Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

32.2 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:-

(a) fixing the value of any assets;

(b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

(c) vesting any assets in trustees.

### **33. Waiver of distributions**

33.1 Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if:-

(a) the share has more than one holder, or

(b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

### **34. Capitalisation of profits**

34.1 A capitalised sum which was appropriated from profits available for distribution may be applied:-

(a) in or towards paying up any amounts unpaid on any existing nil or partly paid shares held by the persons entitled; or

(b) in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.

## **PART 4**

### **DECISION MAKING BY SHAREHOLDERS**

#### **35. Written resolutions of members**

- 35.1 (a) Subject to article 35.1(b), a written resolution of members passed in accordance with Part 13 of the Companies Act 2006 is as valid and effectual as a resolution passed at a general meeting of the Company.
- (b) The following may not be passed as a written resolution and may only be passed at a general meeting:-
- (i) a resolution under section 168 of the Companies Act 2006 for the removal of a director before the expiration of his period of office; and
  - (ii) a resolution under section 510 of the Companies Act 2006 for the removal of an auditor before the expiration of his period of office.
- 35.2 (a) Subject to article 35.2(b), on a written resolution, a member has one vote in respect of each share held by him.
- (b) No member may vote on a written resolution unless all moneys currently due and payable in respect of any shares held by him have been paid.

**36. Attendance and speaking at general meetings**

- 36.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 36.2 A person is able to exercise the right to vote at a general meeting when:-
- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 36.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 36.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 36.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

**37. Notice of general meetings**

- 37.1 (a) Every notice convening a general meeting of the Company must comply with the provisions of:-
- (i) section 311 of the Companies Act 2006 as to the provision of information regarding the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting; and
  - (ii) section 325(1) of the Companies Act 2006 as to the giving of information to members regarding their right to appoint proxies.
- (b) Every notice of, or other communication relating to, any general meeting which any member is entitled to receive must be sent to each of the directors and to the auditors (if any) for the time being of the Company.

### **38. Quorum at general meetings**

- 38.1 (a) If and for so long as the Company has one member only who is entitled to vote on the business to be transacted at a general meeting, that member present at the meeting in person or by one or more proxies or, in the event that the member is a corporation, by one or more corporate representatives, is a quorum.
- (b) If and for so long as the Company has two or more members entitled to vote on the business to be transacted at a general meeting, two of such members, each of whom is present at the meeting in person or by one or more proxies or, in the event that any member present is a corporation, by one or more corporate representatives, are a quorum.
- (c) If the persons attending a meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it. If at the adjourned meeting a quorum is not present within half an hour from the time appointed therefor or, alternatively, a quorum ceases to be present, the adjourned meeting shall be dissolved.

### **39. Chairing general meetings**

- 39.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 39.2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:-
- (a) the directors present, or
- (b) (if no directors are present), the meeting,
- must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- 39.3 The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".

### **40. Voting at general meetings**

- 40.1 (a) Subject to article 40.2 below, on a vote on a resolution at a general meeting on a show of hands:-
- (i) each member who, being an individual, is present in person has one vote;
- (ii) if a member (whether such member is an individual or a corporation) appoints one or more proxies to attend the meeting, all proxies so appointed and in attendance at the meeting have, collectively, one vote; and
- (iii) if a corporate member appoints one or more persons to represent it at the meeting, each person so appointed and in attendance at the meeting has, subject to section 323(4) of the Companies Act 2006, one vote.
- (b) Subject to article 40.2 below, on a resolution at a general meeting on a poll, every member (whether present in person, by proxy or authorised representative) has one vote in respect of each share held by him.
- 40.2 No member may vote at any general meeting or any separate meeting of the holders of any class of shares in the Company, either in person, by proxy or, in the event that the member is a corporation, by corporate representative in respect of shares held by that member unless all moneys currently due and payable by that member in respect of any shares held by that member have been paid.

- 40.3 (a) A poll may be demanded by:-
- (i) the chair of the meeting;
  - (ii) the directors;
  - (iii) three or more persons having the right to vote on the resolution, or
  - (iv) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution; or
  - (v) by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.
- (b) A demand for a poll made by a person as proxy for a member is the same as a demand made by the member.

40.4 Polls must be taken at the general meeting at which they are demanded and in such manner as the chairman directs.

**41. Attendance and speaking by directors and non-shareholders**

41.1 Directors may attend and speak at general meetings, whether or not they are shareholders.

41.2 The chairman of the meeting may permit other persons who are not:-

- (a) shareholders of the Company, or
- (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.

**42. Errors and disputes**

42.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

42.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.

**43. Amendments to resolutions**

43.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:-

- (a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and
- (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

43.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:-

- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
  - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 43.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.
- 44. Delivery of proxy notices**
- 44.1 Proxies may only validly be appointed by a notice in writing (a "proxy notice") and any authentication of it demanded by the directors must be received at an address specified by the Company in the proxy notice not less than 48 hours before the time for holding the meeting or adjourned meeting at which the proxy appointed pursuant to the proxy notice proposes to vote; and any proxy notice received at such address less than 48 hours before the time for holding the meeting or adjourned meeting shall be invalid.
- 45. Adjournment**
- 45.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.
- 45.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:-
  - (a) the meeting consents to an adjournment, or
  - (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 45.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 45.4 When adjourning a general meeting, the chairman of the meeting must:-
  - (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
  - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 45.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
  - (a) to the same persons to whom notice of the company's general meetings is required to be given, and
  - (b) containing the same information which such notice is required to contain.
- 45.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## **PART 5**

### **ADMINISTRATIVE ARRANGEMENTS**

#### **46. Communications**

46.1 Subject to the provisions of the Companies Act 2006, a document or information may be sent or supplied by the Company to a person by being made available on a website.

46.2 (a) A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be sent to him or an address to which notices may be sent by electronic means is entitled to have notices sent to him at that address, but otherwise no such member is entitled to receive any notices from the Company.

(b) If any share is registered in the name of joint holders, the Company may send notices and all other documents to the joint holder whose name stands first in the register of members in respect of the joint holding and the Company is not required to serve notices or other documents on any of the other joint holders.

46.3 (a) If the Company sends or supplies notices or other documents by first class post and the Company proves that such notices or other documents were properly addressed, prepaid and posted, the intended recipient is deemed to have received such notices or other documents 48 hours after posting.

(b) If the Company sends or supplies notices or other documents by electronic means and the Company proves that such notices or other documents were properly addressed, the intended recipient is deemed to have received such notices or other documents 24 hours after they were sent or supplied.

(c) If the Company sends or supplies notices or other documents by means of a website, the intended recipient is deemed to have received such notices or other documents when such notices or other documents first appeared on the website or, if later, when the intended recipient first received notice of the fact that such notices or other documents were available on the website.

(d) For the purposes of this article 46.3, no account shall be taken of any part of a day that is not a working day.

#### **47. Company seal**

47.1 Any common seal of the Company may be used by the authority of the directors or any committee of directors.

47.2 Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by:-

(a) one authorised person in the presence of a witness who attests the signature; or

(b) two authorised persons.

#### **48. Winding up**

48.1 If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he may determine, but no member shall be compelled to accept any assets upon which there is a liability.

#### **49. No right to inspect accounts and other records**

49.1 Except as provided by law or authorised by the directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a shareholder.

**50. Provision for employees on cessation of business**

- 50.1 The directors may decide to make provision for the benefit of persons employed by the Company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

**51. Indemnity**

- 51.1 Subject to article 51.2, a relevant director of the Company or an associated company may be indemnified out of the Company's assets against:-

- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company,
- (b) any liability incurred by that director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
- (c) any other liability incurred by that director as an officer of the Company or an associated company.

- 51.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

- 51.3 In this article:-

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "relevant director" means any director or former director of the Company or an associated company.

**52. Insurance**

- 52.1 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director in respect of any relevant loss.

- 52.2 In this article:-

- (a) a "relevant director" means any director or former director of the Company or an associated company,
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company, and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.