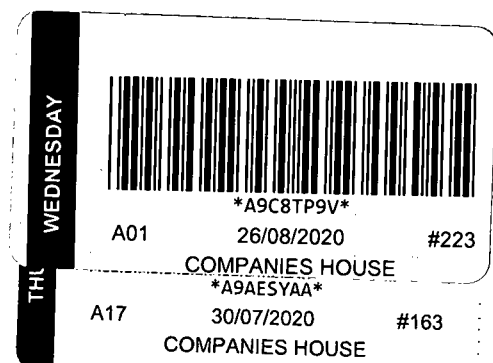


**ARTICLES OF ASSOCIATION OF CAMMELL LAIRD SHIPREPAIRERS  
AND SHIPBUILDERS LIMITED**

**Company No: 4211637**

**Adopted on: 23 July 2020**



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**THE COMPANIES ACT 2006  
COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION**

- of -

**CAMMELL LAIRD SHIPREPAIRERS AND SHIPBUILDERS LIMITED ("Company")**

**1. PRELIMINARY**

The regulations contained in Table A in the schedule to the Companies (Table A to F) Regulations 1985 (as amended by the Companies (Tables A to F) (Amendment) Regulations 1985) shall, except as hereinafter provided and so far as not inconsistent with the provisions of these Articles, apply to the Company to the exclusion of all other regulations or articles of association including without limitation the regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1948. References herein to regulations are to regulations in the said Table A.

**2. PRIVATE COMPANY**

The Company is a private company and accordingly the Company shall not:

- 2.1** offer to the public (whether for cash or otherwise) any shares in or debentures of the Company; or
- 2.2** allot or agree to allot (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of those shares or debentures being offered for sale to the public.

**3. INTERPRETATION**

- 3.1** In the first line of regulation 1 after the word "regulations" the words "and in any articles adopting in whole or in part the same" shall be inserted.
- 3.2** In these Articles unless the context otherwise requires the following expressions have the following meanings:

**"A" Director** means a director appointed by the holder(s) of a majority of "A" Ordinary Shares pursuant to article 17.1;

**"A" Ordinary Shares** means the "A" Ordinary Shares of £0.01 each in the share capital of the Company from time to time;

**"A" Shareholder(s)** means the holder(s) of the "A" Ordinary Shares from time to time;

**Act** means the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force;

**Articles** means articles of association of the Company;

**"B" Director** means a director appointed by the holder(s) of a majority of "B" Ordinary Shares pursuant to article 17.2;

**"B" Ordinary Shares** means the "B" Ordinary Shares of £0.01 each in the share capital of the Company from time to time;

**"B" Shareholder(s)** means the holders of the "B" Ordinary Shares from time to time;

**connected** means as defined in Section 1122 of the Corporation Tax Act 2010 and in addition, each member of the Peel Ports Group, each member of the Peel Holdings Group and each member of the DWS Group (as such terms are defined in the Shareholders Agreement) are deemed to be connected with each other;

**Deemed Sale Notice** has the meaning attributed thereto in article 19.3;

**Deemed Transfer Notice** means a transfer notice deemed to be given under any provision of these Articles;

**Determination Date** has the meaning attributed thereto in article 10.5;

**Directors** means the "A" Directors and the "B" Directors of the Company for the time being;

**Equity Shares** means all of those shares for the time being comprising the issued equity share capital of the Company;

**Expert** has the meaning attributed thereto in article 10.4;

**Offer** has the meaning attributed thereto in article 19.1;

**Offeror** has the meaning attributed thereto in article 19.1;

**Ordinary Shares** means the "A" Ordinary Shares and the "B" Ordinary Shares in the share capital of the Company from time to time;

**Paid Up** means in relation to a share, that such share is paid up or credited as paid up;

**Proposing Seller** has the meaning attributed thereto in article 19.3;

**Purchaser or Purchasers** has the meaning attributed thereto in article 10.11;

**Proposing Transferor** has the meaning attributed thereto in article 10.1;

**Relevant Event** has the meaning attributed thereto in article 10.14.1;

**Receiver** has the meaning attributed thereto in article 12.1;

**Sale Price** has the meaning attributed thereto in article 19.4;

**Sale Shares** has the meaning attributed thereto in article 19.3;

**Secured Party** has the meaning attributed thereto in article 12.1;

**share** means a share in the capital of the Company of whatever class;

**Shareholders' Agreement** means the shareholders' agreement relating to the Company entered into between the Company and the Shareholders on the date of the adoption of these Articles;

**Third Party Purchaser** means any person who is not a shareholder from time to time or a person connected with such a shareholder;

**transfer** shall be deemed to include references to:

- (a) a direction (whether by way of renunciation, nomination or otherwise) by a member entitled to an allotment of shares; and
- (b) a sale or other disposition of any beneficial interest in a share (whether for consideration or otherwise) by any person whether effected by instrument in writing or otherwise and cognate words and expressions shall be construed accordingly;

**Total Transfer Condition** has the meaning attributed thereto in article 10.1;

**Transfer Notice** has the meaning attributed thereto in article 10.1;

**Transfer Price** has the meaning attributed thereto in article 10.3;

**Transfer Shares** has the meaning attributed thereto in article 10.1.1;

- 3.2.1** words or expressions the definitions of which are contained or referred to in the Act shall be construed as having the meaning thereby attributed to them but excluding any statutory modification or amendment thereof not in force on the date of adoption of these Articles;
- 3.2.2** words importing the singular number shall include the plural and vice versa, words importing the masculine shall include the feminine and neuter and vice versa, and words importing persons shall include bodies corporate, unincorporated associations and partnerships;
- 3.2.3** references to Articles are references to these Articles and references to paragraphs and sub-paragraphs are, unless otherwise stated, references to paragraphs in the article or references to sub-paragraphs of the paragraph in which the reference appears;
- 3.2.4** any question whether a person has an interest in any share shall be determined in accordance with the provisions of schedule 1 to the Act;
- 3.2.5** clause headings are for ease of reference only and do not affect the construction or interpretation of these Articles; and

**3.2.6** references to writing shall include typewriting, printing, lithography, photography and facsimile messages and other modes of reproducing words in a legible and non-transitory form.

**3.3** A special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of the regulations or these Articles.

#### **4. SHARE CAPITAL**

The share capital of the Company at the date of the adoption of these Articles is £333.34 divided into 24,585 "A" Ordinary Shares of £0.01 each and 8,749 "B" Ordinary Shares of £0.01 each. The "A" Ordinary Shares and the "B" Ordinary Shares shall carry the respective rights to appoint and remove Directors as hereinafter provided together with the special rights referred to in article 5 below but in all other respects shall rank *pari passu*.

#### **5. VARIATION OF CLASS RIGHTS**

Without prejudice to the generality of their rights, the special rights attaching to the B Ordinary Shares shall be deemed to be varied at any time by:-

- 5.1** the appointment or variation of the employment terms of or dismissal of any senior executive (including but not limited to, the Chairman, Chief Executive, Managing Director, Commercial Director, Business Development Director, Finance Director, Operations Director or Yard Managing Director) of the Group save in relation to dismissal properly and lawfully for gross misconduct (and in the case of Mr John Syvret pursuant to clause 7.6, clause 7.7 and Schedule 4 of the Shareholders Agreement); and/or
- 5.2** the appointment or dismissal of any person to the office of director save for a removal, appointment or substitution in accordance with article 17 or 18; and/or
- 5.3** the passing of a special resolution of the members of the Company.

#### **6. FURTHER ISSUE OF SHARES**

**6.1** All new shares or unissued shares which are proposed to be allotted by the board of Directors, shall only be offered to the existing members for allotment and issue in accordance with the following provisions:

- 6.1.1** on each occasion "A" Ordinary Shares and "B" Ordinary Shares shall be offered to the members in the same proportion (as nearly as may be) to the proportions that the then existing issued "A" Ordinary Shares and "B" Ordinary Shares bear to each other;
- 6.1.2** on each occasion the "A" Ordinary Shares shall first be offered to the "A" Shareholders and the "B" Ordinary Shares shall first be offered to the "B" Shareholders;

**6.1.3** as between members holding shares of the same class the shares of that class shall be offered amongst such members in the same proportion (as nearly as may be) to their existing holdings of shares of that class.

**6.2** Any offer made in accordance with article 6.1 shall be made by notice in writing specifying the number of shares offered and limiting the time (not being more than fourteen days) within which the offer if not accepted will be deemed to have been declined.

**6.3** If an "A" Shareholder does not claim his proportion of the "A" Ordinary Shares offered to him any such unclaimed shares shall be offered to the other "A" Shareholders on a basis determined by the Directors and thereafter if any "A" Ordinary Shares remain unclaimed, the unclaimed "A" Ordinary Shares shall be offered to the "B" Shareholders in the same proportion (as nearly as may be) to the "B" Ordinary Shares held by them.

**6.4** If a "B" Shareholder does not claim his proportion of the "B" Ordinary Shares offered to him any such unclaimed shares shall be offered to the other "B" Shareholders on a basis determined by the Directors and thereafter if any "B" Ordinary Shares remain unclaimed, the unclaimed "B" Ordinary Shares shall be offered to the "A" Shareholders in the same proportion (as nearly as may be) to the "A" Ordinary Shares held by them.

## **7. LIEN**

The lien conferred by regulation 8 shall attach also to fully Paid Up shares standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders for all moneys presently payable by him or his estate to the Company. Regulation 8 shall be modified accordingly.

## **8. TRANSFER OF SHARES**

**8.1** The Directors shall refuse to register the transfer of any share unless such transfer is permitted by, or is made pursuant to and in accordance with articles 9, 10, 12 or 19. The Directors shall also refuse to register the transfer of any share which is prohibited under article 13.

**8.2** No transfer, other than one made under articles 11, 12 or 19, shall be registered unless the relevant transferee, if not already a party to the Shareholders Agreement, has entered into a deed of adherence to, and in the form required by, the Shareholders Agreement.

**8.3** Subject to articles 8.4 and 8.7 the Directors shall not be entitled to decline to register the transfer of any share which is permitted by, or is made pursuant to and in accordance with article 9, 10, 12 or 19.

**8.4** For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these Articles the Directors may require the transferor or the person named as transferee in any transfer lodged for registration to furnish the Company with such information and evidence as the Directors may think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the Directors within a period

of 28 days after such request the Directors shall be entitled to refuse to register the transfer in question.

**8.5** If a member or other person entitled to transfer a share at any time attempts to deal with or dispose of the share or any interest therein otherwise than in accordance with the provisions of article 9, 10, 12 or 19 he shall be deemed immediately prior to such attempt to have given a Transfer Notice in respect of such share.

**8.6** Where a Transfer Notice in respect of any share is deemed to have been given under any provision of these Articles and the circumstances are such that the Directors are unaware of the facts giving rise to the same such Transfer Notice shall be deemed to have been received by the Directors on the date on which the Directors receive actual notice of such facts and the provisions of article 10 shall apply accordingly.

**8.7** Subject to article 12, the Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share which would otherwise be permitted under these Articles if it is a transfer:

**8.7.1** of a share on which the Company has a lien;

**8.7.2** of a share (whether a fully, partly or nil paid share) to a person of whom they shall not approve.

The first sentence of regulation 24 shall not apply.

## **9. PERMITTED TRANSFERS**

Subject always to article 8:

**9.1** any share may be transferred:

**9.1.1** by a member to his father or mother or to any lineal descendant of his father or mother or to his spouse (any of such persons being hereinafter referred to as a "**privileged relation**");

**9.1.2** by a member to the trustees of any settlement whether created inter vivos or by will which is permitted by the Directors or under which no person other than the transferor or any privileged relation of his specified in sub-paragraph 9.1.1 above is entitled to a beneficial interest (any such settlement being hereinafter referred to as a "**family settlement**");

**9.1.3** by trustees of any family settlement specified in sub-paragraph 9.1.2 above to new trustees or to beneficiaries under the family settlement;

**9.1.4** by a member to the beneficial owner of the shares;

**9.1.5** by a member to another member holding shares of the same class;

**9.1.6** by a corporate member to another member of the corporate member's group provided always that should such company within the corporate member's



group to which the shares have been transferred leave the corporate member's group the shares must be transferred back to a company which is a member of the corporate member's group,

and the rights of pre-emption hereinafter conferred in these Articles shall not arise on the occasion of any such transfer.

References in this article 9.1 to a corporate member's group include the corporate member, any holding company of the corporate member and any subsidiary of the corporate member or such holding company.

- 9.2** Any member may at any time transfer all or any of his "A" Ordinary Shares to any person with the prior written consent of the holder(s) of a majority of the "B" Ordinary Shares.
- 9.3** Any member may at any time transfer all or any of his "B" Ordinary Shares to any person with the prior written consent of the holder(s) of a majority of the "A" Ordinary Shares.
- 9.4** Save in respect of article 9.1.4, a transfer of any share pursuant to this article 9 shall only be treated as a permitted transfer for the purposes of these Articles if it is a transfer of the entire legal and beneficial interest in such share free from all liens, charges and other encumbrances (other than any charge or security interest referred to in article 12).

## **10. PRE-EMPTION RIGHTS**

- 10.1** Except as provided in articles 9, 11, 12, or 19 or elsewhere in these Articles, before transferring or agreeing to transfer any share or any interest therein (including for this purpose the assignment of the beneficial interest in, or the creation of any charge or other security interest over, such share or the renunciation or assignment of any right to receive or subscribe for such share to any person other than a member holding shares of the same class) the person proposing to transfer the same ("**Proposing Transferor**") shall be obliged to give notice in writing ("**Transfer Notice**") to the Directors that the Proposing Transferor desires to transfer some or all of the shares then held by him. In the Transfer Notice the Proposing Transferor shall specify:

- 10.1.1** the number and class of shares which the Proposing Transferor wishes to transfer ("**Transfer Shares**"); and
- 10.1.2** if applicable, the identity of any person who has indicated a willingness to purchase the Transfer Shares and the price at which such person is willing to purchase the Transfer Shares.

A Transfer Notice shall be deemed to contain a condition ("**Total Transfer Condition**") that unless all of the Transfer Shares are sold pursuant to the following provisions of this article none shall be so sold. The Transfer Notice shall constitute the Directors as the agents of the Proposing Transferor empowered to sell the Transfer Shares (together with all rights attaching thereto at the date of the Transfer Notice or at any time thereafter) at the Transfer Price (as hereinafter defined) on the terms of this article 10. Once given a Transfer Notice may not be revoked save with the prior written consent of all the other members.

- 10.2** Within seven days after the receipt of a Transfer Notice the Directors shall serve a copy of that Transfer Notice on all the members other than the Proposing Transferor. In the case of a Deemed Transfer Notice the Directors shall similarly serve notice on all the members (including the Proposing Transferor) notifying them that the same has been deemed to have been given.
- 10.3** Subject as provided otherwise in these Articles the Transfer Shares shall be offered for purchase (as hereinafter provided) at a price ("**Transfer Price**") determined in accordance with paragraph 10.4.
- 10.4** The Transfer Price shall be such price as shall be agreed in writing between all the members or, in the absence of such agreement (whether by reason of disagreement, absence, death or otherwise) within 30 days after the service of notices pursuant to paragraph 10.2, by an independent chartered accountant of not less than five years standing ("**Expert**") who shall be nominated by agreement between all the members or, failing such nomination within 14 days after the request of any member to the others therefor, nominated at the request of any member by the President for the time being of the Institute of Chartered Accountants in England and Wales. The Expert shall act as an expert and not as an arbitrator and his written determination shall be final and binding on the members.

The Expert will certify the open market value of the Transfer Shares as at the date of the Transfer Notice on the following assumptions and bases:

- 10.4.1** valuing the Transfer Shares as on arm's length sale between a willing vendor and a willing purchaser;
- 10.4.2** if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- 10.4.3** that the Transfer Shares are capable of being transferred without restriction; and
- 10.4.4** that no discount will be applied in respect of a minority interest

and the Transfer Price shall be such open market value as is certified by the Expert.

If any difficulty shall arise in applying any of the foregoing assumptions or bases then such difficulty shall be resolved by the Expert in such manner as he shall in his absolute discretion think fit.

The Company will use its reasonable endeavours to procure that the Expert determines the Transfer Price within 30 days of being requested to do so.

- 10.5** If the determination of the Transfer Price is referred to the Expert the date of determination of the Transfer Price ("**Determination Date**") shall be the date upon which the Directors receive the Expert's determination of the Transfer Price in writing. If the

Transfer Price is determined by written agreement between all the members as aforesaid then the Determination Date shall be the date on which such agreement is made.

**10.6** The costs and expenses of the Expert in determining the Transfer Price shall be borne as to one half by the Proposing Transferor and as to the other half by the person(s) purchasing the Transfer Shares save in the event there are no person(s) purchasing the Transfer Shares all the costs and expenses of the Expert in determining the Transfer Price shall be borne by the Proposing Transferor.

**10.7** Within seven days after the Determination Date the Transfer Shares shall be offered for purchase at the Transfer Price by the Directors in the first instance to those member(s) who at the date of the offer are registered as the holders of shares of the same class as the Transfer Shares other than:

**10.7.1** the Proposing Transferor;

**10.7.2** any member to whom under article 13 shares may not be transferred;

and, in the case of competition, shall be sold to the acceptor(s) in proportion (as nearly as may be without involving fractions or selling to any member a greater number of Transfer Shares than the maximum number applied for by him) to the number of shares then held by him/them respectively. If any of the Transfer Shares shall not be capable of being allocated as aforesaid without involving fractions, the same shall be offered amongst the acceptor(s) in such proportions or in such manner as may be determined by lots drawn in respect thereof, and the lots shall be drawn in such manner as the Directors shall think fit.

**10.8** Any offer made pursuant to paragraph 10.7 shall be made by notice in writing and shall specify:

**10.8.1** the number and class of the Transfer Shares;

**10.8.2** the proportionate entitlement of the relevant member (on the assumption that there will be competition for the Transfer Shares);

**10.8.3** the Transfer Price;

**10.8.4** that the Transfer Notice is deemed to contain a Total Transfer Condition; and

**10.8.5** a period (being not less than 60 days and not more than 90 days) within which the offer must be accepted or shall lapse.

**10.9** If by the foregoing procedure the Directors shall not receive acceptance(s) from member(s) holding shares of the same class as the Transfer Shares, in respect of all of the Transfer Shares within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of that fact to all the members, whereupon the Transfer Shares in respect of which acceptances had not been received shall be offered within 21 days thereafter to all other members of the Company who at the date of the offer are registered as the holders of shares of a class different from that of the Transfer Shares who holds Equity Shares and who will not have been offered participation pursuant to article 10.7. Any offer

pursuant to this article shall except as otherwise provided herein be made in accordance with the provisions of articles 10.7 and 10.8 above.

## **10.10**

**10.10.1** If by the foregoing procedures the Directors shall not receive acceptances from members in respect of all of the Transfer Shares within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of that fact to all the members, whereupon the holders of at least three quarters in nominal value of the Equity Shares (excluding the shares held by the Proposing Transferor) shall be entitled within 14 days of the date of service of that notice to nominate (by giving notice in writing to the Directors signed by each such holder or on his behalf and which may consist of several notices in the like form) any person or persons (whether or not a member) who has expressed his willingness in writing to purchase all or any of those Transfer Shares in respect of which acceptances have not been received at the Transfer Price as the purchaser(s) of all or some of such Transfer Shares (and the Directors shall be deemed to have made offers of such shares accordingly); Provided that if any such nominated purchaser shall fail to complete any such purchase in accordance with this article 10 the members (other than those who did not sign the aforesaid notice(s)) shall be jointly and severally liable to complete such purchase in place of that nominated purchaser, and

**10.10.2** No offer of Transfer Shares made by the Directors pursuant to this article shall be capable of acceptance until all of the Transfer Shares shall have been accepted. If by the foregoing procedure the Directors shall not receive acceptances in respect of all the Transfer Shares within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of that fact to the Proposing Transferor and none of the Transfer Shares will be sold to the members (or any person or persons nominated pursuant to sub-paragraph 10.10.1) pursuant to this article 10. If such a notice is served, then the Proposing Transferor may within a period of three months after the date of the Directors' said notice sell all (but not some only) of the Transfer Shares to any person at any price which is not less than the Transfer Price (after deducting, where appropriate, any net dividend or other distribution declared, paid or made after the date of the Transfer Notice in respect of the Transfer Shares and which has been or is to be retained by the Proposing Transferor).

**10.11** If any member or members or person or persons nominated pursuant to paragraph 10.10.1 ("Purchaser" or "Purchasers") shall within the period(s) of the aforesaid offer(s) agree to purchase Transfer Shares under articles 10.7, 10.9 or 10.10.1, the Directors shall forthwith give notice in writing as hereinafter mentioned to the Proposing Transferor and to the Purchasers and thereupon the Proposing Transferor shall become bound upon payment of the Transfer Price to the Proposing Transferor (whose receipt shall be a good discharge to the Purchaser(s), the Company and the Directors therefor, none of whom

shall be bound to see to the application thereof) to transfer to each Purchaser those Transfer Shares accepted by him. Every such notice shall state the name and address of each Purchaser, the number of Transfer Shares agreed to be purchased by him and the place and time appointed by the Directors for the completion of the purchase (being not less than 7 days nor more than 28 days after the date of the said notice and not being at a place outside England). Subject to the giving of such notice the purchase shall be completed at the time and place appointed by the Directors.

**10.12** If a Proposing Transferor, having become bound to transfer any Transfer Shares pursuant to this article 10, makes default in transferring the same the Directors may authorise some person (who shall be deemed to be the attorney of the Proposing Transferor for the purpose) to execute the necessary instrument of transfer of such Transfer Shares and may deliver it on his behalf and the Company may receive the purchase money and shall thereupon (subject to such instrument being duly stamped) cause the transferee to be registered as the holder of such Transfer Shares and shall hold such purchase money on behalf of the Proposing Transferor. The Company shall not be bound to earn or pay interest on any moneys so held. The receipt of the Company for such purchase money shall be a good discharge to the transferee who shall not be bound to see to the application thereof, and after the name of the transferee has been entered in the register of members in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.

**10.13** Without prejudice to the generality of article 8.4, the Directors may require to be satisfied that any shares being transferred by the Proposing Transferor pursuant to paragraph 10.10.2 are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer and if not so satisfied may refuse to register the instrument of transfer.

**10.14**

**10.14.1** In this article 10.14 a "**Relevant Event**" means in relation to a member being a corporate entity, a Change of Control occurring other than by virtue of a Receiver being appointed by a Secured Party or any transfer of shares, which if such shares were shares in the Company, the Directors could not decline to register under Article 12.

**10.14.2** For the purposes of this article 10.14:

"**Change of Control**" means:

- (i) prior to an IPO, one or more of the 1997 Billown Settlement Trust and/or any of its subsidiary undertakings (as defined in section 1162 of the Companies Act 2006) from time to time and/or any member of the DWS Group (as defined in the Shareholders' Agreement) (together, the "**Controllers**") collectively not controlling or ceasing to control (directly or indirectly) and not having the right to vote as they see fit at least 50 per cent. plus one vote of

the issued share capital of Peel Ports Holdings (No.2) (IOM) Limited;

- (ii) following an IPO, one or more of the Controllers collectively not controlling or ceasing to control, (directly or indirectly) and not having the right to vote as they see fit at least 30 per cent. of the issued share capital of Peel Ports Holdings (No.2) (IOM) Limited;

**"control"** means the power to direct the management and policies of Peel Ports (CI) Limited whether by virtue of a share ownership contract or otherwise;

**"IPO"** means a listing of all or any part of the share capital of Peel Ports Holdings (No.2) (IOM) Limited or any wholly owned subsidiary thereof, or any New Holding Company on any recognised investment exchange (as the term is defined in the Financial Services and Markets Act 2000 (England and Wales)) or other exchange or market in any jurisdiction or country; and

**"New Holding Company"** means any new holding company of Peel Ports Holdings (No.2) (IOM) Limited formed for the purpose of facilitating an IPO.

**10.14.3** Upon the happening of any Relevant Event the member in question shall be deemed to have immediately given a Transfer Notice in respect of all the shares as shall then be registered in the name of such member.

**10.15** An obligation to transfer a share under the provisions of this article 10 shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such share free from any lien, charge or other encumbrance (other than any charge or security interest referred to in article 12).

**10.16** The provisions of this article may be waived in whole or in part in any particular case with the prior written consent of all the members.

## **11. TAG ALONG**

**11.1** Save in the case of a transfer of shares which is permitted in accordance with the provisions of article 9, 12 or 19, but otherwise notwithstanding any other provisions of these Articles, no sale or other disposition of any shares (**Committed Shares**) by a Proposing Transferor shall be made or registered unless before the transfer is lodged for registration the relevant Third Party Purchaser has made a bona fide unconditional offer (**Tag Along Offer**) by notice in writing (**Tag Along Notice**) to acquire, in accordance with this article 11, all the shares which are not Committed Shares (**Uncommitted Shares**), save for those Uncommitted Shares held by the Proposing Transferor, for the consideration, or at the price, (**Tag Along Consideration**) calculated in accordance with article 11.3.

**11.2** A Tag Along Notice shall:

- 11.2.1** state the Tag Along Consideration;
  - 11.2.2** state the identity of the Third Party Purchaser;
  - 11.2.3** state the number of shares to be acquired by the Third Party Purchaser;
  - 11.2.4** state the proposed date of sale of the Committed Shares;
  - 11.2.5** invite the relevant offerees to respond in writing to the Third Party Purchaser stating that they wish to accept the Tag Along Offer; and
  - 11.2.6** expire, and the offer made therein to an offeree shall be deemed to be withdrawn if not previously accepted by such offeree, on the date (being not less than 60 nor more than 90 Business Days after the date of service of the Tag Along Notice) specified therein.
- 11.3** For the purposes of this article 11:
  - 11.3.1** the Tag Along Consideration shall be the same consideration per Uncommitted Share (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Third Party Purchaser in respect of each Committed Share together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Committed Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Committed Shares.
- 11.4** If the Tag Along Consideration cannot be agreed between the Third Party Purchaser and the holders of not less than 75% of the Uncommitted Shares within 10 Business Days of the date of service of the Tag Along Notice, such matter shall be referred, at the request of any shareholder, to the Expert and, pending their determination:
  - 11.4.1** the period specified in the Tag Along Notice for acceptance of the Tag Along Offer shall not start to run until such time as the Expert's determination of the Tag Along Consideration is served on the Third Party Purchaser and the shareholders holding Uncommitted Shares; and
  - 11.4.2** the sale or transfer of the Committed Shares shall have no effect and shall not be registered.
- 11.5** On any reference to him made under article 11.4, the decision of the Expert (who for the avoidance of doubt shall be deemed to act as an expert and not as an arbitrator) shall be final and binding on the Company and the shareholders, save in the event of fraud or manifest error, and their costs in connection with such reference shall be borne by the party or parties named by the Expert (taking into account the conduct of the parties and the merits of their respective arguments in relation to any matters in dispute) or, where no such party is named by the Expert, equally by the parties concerned.

- 11.6** The Company will use its reasonable endeavours to procure that the Expert determines the Tag Along Consideration within 30 days of being requested to do so.

**12. TRANSFER OF SHARES TO A SECURED PARTY OR RECEIVER**

- 12.1** Notwithstanding anything contained in these Articles, any pre-emption rights conferred on existing members by these Articles or otherwise shall not apply to, and the Directors shall not decline to register, nor suspend registration of, any transfer of shares and the creation of any charge or other security interest over such shares shall be permitted, where such transfer is, or such charge or security interest is granted, in favour of a bank or creditor who has provided financial facilities to the relevant member (or to any member of that member's group) in the normal course of such bank or creditor's business, or any security trustee holding security on trust for any such bank or creditor including, for the avoidance of doubt, any transfer, charge or security interest by the "A" Shareholders in favour of The Royal Bank of Scotland plc as security trustee under the facilities agreement under which the "A" Shareholders are an obligor and/or in favour of security trustees to be appointed in relation to a secured corporate debt programme under which debt is raised the proceeds of which are used, in part, to refinance the facilities under the aforementioned facilities agreement, or to any nominee of such a bank or creditor or security trustee, to whom such shares are being transferred by way of a security (together a "Secured Party") or any receiver appointed by a Secured Party ("Receiver").

- 12.2** Any lien on shares which the Company has shall not apply in respect of any shares which have been charged by way of security to a Secured Party or a subsidiary of a Secured Party or which are transferred in accordance with the provisions of this article 12 to a Secured Party or Receiver.

**13. PROHIBITED TRANSFERS**

Notwithstanding anything else contained in these Articles no share shall be issued or transferred to any bankrupt or person of unsound mind.

**14. PROCEEDINGS AT GENERAL MEETINGS**

- 14.1** An instrument appointing a proxy may, in the case of a corporation, be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative.
- 14.2** The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to vote on a poll and on a motion to adjourn the meeting.
- 14.3** A poll may be demanded by the Chairman or by at least two members present in person or by proxy and entitled to vote, and regulation 46 shall be modified accordingly.
- 14.4** Any such resolution in writing as is referred to in regulation 53 may, in the case of a corporation, be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative. Regulation 53 shall be modified by adding the following sentence at the end:



"If such a resolution in writing is described as a special resolution it shall have effect accordingly".

**14.5** No business shall be transacted at any meeting of the members of the Company unless a quorum is present. Save as specifically provided for in this article 14.6 a quorum shall be two persons entitled to vote upon the business to be transacted, of which at the initially convened meeting one must be the holder of "A" Ordinary Shares representing more than 2.5% of the "A" Ordinary Shares in issue or its proxy or, in the case of a corporation, its duly authorised representative and one must be the holder of "B" Ordinary Shares representing more than 2.5% of the "B" Ordinary Shares in issue or its proxy or, in the case of a corporation, its duly authorised representative. In the event that at any duly convened meeting of the members of the Company the meeting is not so quorate, or if during the meeting such a quorum ceases to be present, the meeting shall be adjourned to the same day in the next week at the same time and place (or to such other day, and at such other time and place as the Chairman may stipulate). At any adjourned meeting the quorum shall be two persons entitled to vote on the business to be transacted with no requirement for the persons present to include both the holder of a "A" Ordinary Share or its proxy or, in the case of a corporation, its duly authorised representative and the holder of a "B" Ordinary Share or its proxy or, in the case of a corporation, its duly authorised representative. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall dissolve. Regulations 40 and 41 shall not apply.

**14.6** A member of the Company which is a corporation may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member. Unless the Directors otherwise decide, a copy of such authority certified notarially or in some other way approved by the Directors shall be left at or sent by post or facsimile transmission to the office or such other place within the United Kingdom as the Directors may determine before such representative is entitled to exercise any power on behalf of the corporation which he represents.

## **15. VOTES OF MEMBERS**

**15.1** On a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote save that the holders of "A" Ordinary Shares have no right to vote upon a resolution for the removal from office of a director appointed by the holders of "B" Ordinary Shares and the holders of "B" Ordinary Shares have no right to vote upon a resolution for the removal from office of a director appointed by the holders of "A" Ordinary Shares.

- 15.2** Subject to article 5.3, no special resolution of the members may be validly passed at any general meeting of the Company or otherwise unless the holders of 75% or more of the shares shall have voted in favour.
- 15.3** Regulation 54 shall not apply.
- 15.4** Regulation 57 shall be modified by including after the word "shall" the phrase "unless the Directors otherwise determine".
- 15.5** An instrument appointing a proxy shall be in writing in any form which is usual or in such other form which the Directors may approve, and shall be executed by or on behalf of the appointor.
- 15.6** Regulation 62 shall be modified by deleting from paragraph (a) the words "deposited at" and by substituting instead the words "left at or sent by post or by facsimile transmission to", by substituting in paragraph (a) the words "one hour" instead of "48 hours" and by substituting in paragraph (b) the words "one hour" instead of "24 hours".
- 15.7** The Chairman shall not be entitled to a casting vote in addition to any other vote he may have and regulation 50 shall not apply.
- 16. ALTERNATE DIRECTORS**
- 16.1** Any director (other than an alternate director) may at any time appoint any person (including another director) to be an alternate director and may at any time terminate such appointment. Any such appointment or termination of appointment shall be effected by leaving it at or sending it by post or facsimile transmission to the registered office of the Company or such other place as may be designated for the purpose by the Directors. The same person may be appointed as the alternate director of more than one director.
- 16.2** The appointment of an alternate director shall determine on the happening of any event which if he were a director would cause him to vacate such office or if his appointor ceases to be a director.
- 16.3** An alternate director shall be entitled to receive notices of meetings of the Directors and of any committee of the Directors of which his appointor is a member and shall be entitled to attend and vote as a director and be counted in the quorum at any such meeting at which his appointor is not personally present and generally at such meeting to perform all functions of his appointor as a director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a director of the relevant class. An alternate director who is absent from the United Kingdom shall be entitled to receive notice of all meetings of Directors and meetings of committees of Directors. If an alternate director shall be himself a director or shall attend any such meeting as an alternate for more than one director his voting rights shall be cumulative, but he shall count as only one for the purpose of determining whether a quorum is present. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill-health or disability his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. An alternate director shall not (save

as aforesaid) have power to act as a director nor shall he be deemed to be a director for the purposes of these Articles.

**16.4** An alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a director but he shall not be entitled to receive from the Company in respect of his appointment as alternate director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

**16.5** Regulations 65 to 69 shall not apply.

**17. APPOINTMENT AND RETIREMENT OF DIRECTORS**

**17.1** The holders of a majority of the "A" Ordinary Shares shall be entitled by notice in writing to the Company to appoint a maximum of five persons at any one time to be a director and by like notice to remove such a director and at any time and from time to time by like notice to appoint any other person to be a director in the place of a director so removed.

**17.2** The holders of a majority of the "B" Ordinary Shares shall be entitled by notice in writing to the Company to appoint a maximum of four persons at any one time to be a director and by like notice to remove such a director and at any time and from time to time by like notice to appoint any other person to be a director in the place of a director so removed.

**17.3** A notice of appointment or removal of a director pursuant to this article shall take effect upon lodgement at the registered office or on delivery to a meeting of the Directors or on delivery to the secretary.

**17.4** Every director appointed pursuant to this article shall hold office until he is either removed in manner provided by this article or dies or vacates office pursuant to regulation 81 (as modified by article 18).

**17.5** Unless and until the Company in general meeting shall otherwise determine the maximum number of Directors shall be five "A" Directors and four "B" Directors. The minimum number of Directors shall be two, consisting of one "A" Director and one "B" Director. Regulation 64 shall not apply to the Company. Regulation 89 shall not apply.

**17.6** The Directors shall not be subject to retirement by rotation and accordingly regulations 73 to 75 shall not apply and all other references in the regulations to retirement by rotation shall be disregarded.

**17.7** No director shall be appointed otherwise than as provided in these Articles. Regulations 76 to 80 shall not apply.

## **18. DISQUALIFICATION AND REMOVAL OF DIRECTORS**

Regulation 81 shall be modified by deleting paragraph (e) thereof. The office of a director shall also be vacated if he shall be removed from office as herein before provided.

## **19. TAKE-OVER OFFER**

**19.1** The provisions of this article shall apply if the Directors have received a bona fide offer which has been made by a person who is not connected with any member of the Company ("**Offeror**") and is an offer to purchase all of the issued shares in the capital of the Company, the terms of which have been negotiated on an arm's length basis by the Directors on behalf of and in the interests of the members of the Company ("**Offer**").

**19.2** Within ten days after the receipt of the Offer, the Directors shall give full details of the terms thereof to all of the members of the Company and shall endeavour to ascertain as soon as possible thereafter:

**19.2.1** in relation to each of the members, whether or not he wishes to accept the terms of the Offer in relation to the shares in the Company held by him; and

**19.2.2** whether the terms of the Offer are acceptable to the holders of 85 per cent or more in nominal value of the issued shares comprising the Equity Shares of the Company and whether such holders wish to accept the Offer in relation to the shares held by them.

For the purposes of ascertaining the wishes of the members of the Company, the Directors may call a general meeting of the Company.

**19.3** If the holders of 85 per cent or more in nominal value of the issued shares comprising the Equity Shares shall have expressed in writing or at a general meeting their acceptance of the terms of the Offer and that they wish to accept the Offer in relation to all of the shares held by them the Directors shall inform each of the members of the Company of this and every member of the Company shall then be obliged to sell the shares held by him to the Offeror and shall be deemed to have given a notice ("**Deemed Sale Notice**") to the Directors that he ("**Proposing Seller**") desires to transfer all of the shares in the Company then held by him ("**Sale Shares**") to the Offeror on the terms of the Offer and the following provisions of this article shall apply.

**19.4** A Sale Notice shall constitute the Directors as the agents of the Proposing Seller empowered to sell the Sale Shares (together with all rights attaching thereto at the date of the Offer or at any time thereafter) on the terms of the Offer and in particular at the price or prices provided for by the Offer ("**Sale Price**").

**19.5** A Proposing Seller shall become bound forthwith upon payment of the Sale Price to him (his receipt shall be a good discharge to the Offeror and the Directors therefor, none of whom shall be bound to see the application thereof) to deliver to the Offeror or (if required by the Directors) to the Directors on the Offeror's behalf, a share transfer of the Sale Shares duly executed by the Proposing Seller in favour of the Offeror (or such other person

or persons as the Offeror shall require) and the relevant share certificate or share certificates relating to the Sale Shares. If a Proposing Seller, having become bound to transfer any Sale Shares pursuant to this article, makes default in transferring the same, the Directors may authorise some person (who shall be deemed to be the attorney of the Proposing Seller for the purpose) to execute the necessary instrument of transfer of such Sale Shares and may deliver it on his behalf and the Company may receive the purchase money and shall thereupon (subject to such instrument being duly stamped) cause the transferee or transferees to be registered as the holder or holders of such Sale Shares and the Company shall hold such purchase money on behalf of the Proposing Seller. The Company shall not be bound to earn or pay interest on any monies so held. The receipt of the Company for such purchase money shall be a good discharge to the transferee or transferees who shall not be bound to see the application thereof, and after the name of the transferee or transferees has or have been entered in the register of members in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.

- 19.6** If completion of the sale of all of the shares in the Company does not take place in accordance with the terms of the Offer then the Deemed Sale Notice shall be deemed never to have been given.

**20. PENSIONS**

The Directors may give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any employees or ex-employees and to officers and ex-officers (including Directors and ex-Directors) of the Company or its predecessors in business or of any holding company or subsidiary of the Company or to the relations or dependants of any such persons and may establish, support and maintain pensions, superannuation or other funds or schemes (whether contributory or non-contributory) for the benefit of any such persons and/or their relations or dependants or any of them. Any director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit and may vote as a director in respect of the exercise of any of the powers by this article conferred upon the Directors notwithstanding that he is or may become interested therein. Regulation 87 shall not apply.

**21. PROCEEDINGS OF DIRECTORS**

**21.1**

**21.1.1** save as specifically provided for in this article 21 the quorum for the transaction of the business of the Directors shall be two of whom one shall be an "A" Director and one a "B" Director; and

**21.1.2** any committee of the Directors shall include at least one "A" Director and one "B" Director and the quorum for the transaction of the business of any such committee shall be two of whom one shall be an "A" Director and one a "B" Director.

The words "consisting of 1 or more directors" in the first sentence of regulation 72 shall not apply.

In the event that at any duly convened meeting of the Directors or of any committee of the Directors the meeting is not so quorate, or if during the meeting such a quorum ceases to be present, the meeting shall be adjourned to the same day in the next week at the same time and place. At any adjourned meeting of the Directors the quorum for the transaction of the business of the Directors shall be any two Directors with no requirement for one to be an "A" Director and one a "B" Director. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall not proceed.

Regulation 89 shall not apply to the Company.

- 21.2** Any director may participate in a meeting of the Directors by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting.

**21.3**

- 21.3.1** Unless otherwise agreed by each of the Directors in any particular case, at least four clear days' notice in writing shall be given to each director of every meeting of the Directors, except any absent from the United Kingdom for the time being who have:
- 21.3.2** (in the case of a director) nominated an alternate; or
- 21.3.3** failed to furnish the Company with an address abroad to which such notices may be forwarded.

The third and fifth sentences of regulation 88 shall not apply to the Company.

- 21.4** Regulation 111 shall be read as if the words "except that a notice calling a meeting of the Directors need not be in writing" were deleted therefrom.

- 21.5** Each such notice shall:

- 21.5.1** be sent to the address notified from time to time by each director to the secretary (or, if there is none at that time, the Chairman) as his address for the service of such notices (or if no address has been so supplied, to his last known address);
- 21.5.2** contain an agenda specifying in reasonable detail the matters to be discussed at the relevant meeting;
- 21.5.3** be accompanied by any relevant papers for discussion at such meeting; and

- 21.5.4** if sent to an address outside the United Kingdom, be sent by courier, telex or facsimile transmission.
- 21.6** Save as provided in paragraph 21.5, any such notice may be delivered personally or by first class prepaid letter and shall be deemed to have been served if by delivery when delivered and if by first class letter 24 hours after posting.
- 21.7** Any director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him.
- 21.8** Except as may be agreed by all of the Directors in any particular case, no business or resolution shall be transacted or passed at any meeting of the Directors except as was fairly disclosed in the agenda for such meeting.
- 21.9** Appropriate complete minutes of each meeting of the Directors shall be maintained by the Company and copies thereof distributed to the Directors as soon as reasonably practicable after the meeting shall have been held.
- 21.10**
- 21.10.1** Subject to the provisions of the Act and provided that he has disclosed to the Directors the nature and extent of any material 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 in any way interested;
  - (b) may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
  - (c) may be a director or other officer of, employed by or hold shares or other securities (whether directly or indirectly) in, or otherwise be interested, whether directly or indirectly, in Peel Holdings Group Limited and/or Peel Ports Holdings (CI) Limited and/or Cammell Laird Shiprepairers and Shipbuilders Limited or any other company which is a subsidiary undertaking of such companies;
- (in either case an **"Outside Company Interest"** and references to **"Outside Company"** shall be construed accordingly).
- (d) may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;

- (e) shall not by reason of his office or any Outside Company Interest, be accountable to the Company for any benefit which he derives from such office or any Outside Company Interest, service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit;
- (f) will not be obliged to disclose to the Company or use for the benefit of the Company any confidential information received by him by virtue of his Outside Company Interest and otherwise than by virtue of his position as a director, if to do so would breach any duty of confidentiality to any other Outside Company or third party; and
- (g) shall be entitled to vote and be counted in the quorum on any matter concerning paragraphs 21.10.1(a) to 21.10.1(d) above.

**21.10.2** Any director who has an Outside Company Interest shall, as soon as reasonably practicable following the relevant Outside Company Interest arising, disclose to the board the existence of such Outside Company Interest and the nature and extent of such Outside Company Interest so far as the relevant director is able at the time the disclosure is made PROVIDED that no such disclosure is required to be made of any matter in respect of which the relevant director owes any duty of confidentiality to any third party. A disclosure made to the board under this Article may be made either at meeting of the board or by notice in writing to the Company marked for the attention of the directors.

**21.10.3** For the purposes of this article:

- (a) a general notice to the Directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;
- (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
- (c) an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these Articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director



without prejudice to any interest which the alternate director has otherwise.

- 21.11** In the case of an equality of votes the Chairman shall not be entitled to a second or casting vote and the fifth sentence of regulation 88 shall not apply.

**22. DIRECTORS BORROWING POWERS**

Subject as hereinafter provided the Directors may exercise all the powers of the Company (whether express or implied):

- 22.1** of borrowing or securing the payment of money;
- 22.2** of guaranteeing the payment of money and the fulfilment of obligations and the performance of contracts; and
- 22.3** of mortgaging or charging the property assets and uncalled capital of the Company and of issuing debentures.

**23. INDEMNITY**

- 23.1** Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.
- 23.2** The board of Directors shall have power to purchase and maintain for any director, officer or auditor of the Company insurance against any such liability as is referred to in section 1295 of the Act.

**24. OVERRIDING PROVISIONS**

- 24.1** Where the approval, agreement or consent of any member or director is required under any provision of these Articles to any particular matter, such approval, agreement or consent may be given subject to such terms and conditions as that member or director may require and any breach of such terms and conditions shall ipso facto be deemed to be a breach of these Articles.
- 24.2** The provisions of the Shareholders Agreement shall apply as if set out in these Articles and embodied herein in full.