

NOTICE OF ILLEGIBLE PAGES

Companies House regrets that documents in this company's record have pages which are illegible.

The poor quality has been noted, but unfortunately steps taken to improve them were unsuccessful.

Companies House would like to apologise for any inconvenience this may cause

DUPLICATE FOR THE FILES

No. 10170.



Certificate of Incorporation.

I hereby Certify, That

LITHGOWS LIMITED

as this day incorporated under the Companies Acts, 1908 to 1917, and that this Company is **Limited**.

GIVEN under my hand at Edinburgh, this — Thirtieth — day of — November —

One Thousand Nine Hundred and Eighteen.

Kenneth Mackenzie

Registrar of Joint-Stock Companies.

Certificate No. _____

Form No. 59.

**"The Trading with the Enemy Amendment Act, 1914."
(5 Geo. 5, c. 12).**

(No Registration Fee
payable).

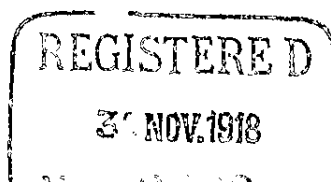
Declaration made pursuant to S. 9 (1) (a) of the said Act.

Name of Company

Lithgow's Limited

Presented for Filing

by *W. B. Cairns, Esq.*
65 Darnley St.



I George Murray
of 2 Argyle Street, Greenock,

Do solemnly and sincerely declare that I am ^{an Enrolled Law Agent} ~~a Solicitor of the Supreme~~
~~Court~~ engaged in the formation of Lithgows

Limited, and That the Company is not formed for the purpose or with the
intention of acquiring the whole or any part of the undertaking of a person,
firm or Company the books and documents of which are liable to inspection
under subsection (2) of section two of the Trading with the Enemy Act,
1914. And I make this solemn Declaration conscientiously believing the
same to be true and by virtue of the provisions of the "Statutory
Declarations Act, 1835."

Declared at

Greenock

George Murray

the 27th day of November

one thousand nine hundred and eighteen

before me.

John Young
A Commissioner for Oaths.

"THE COMPANIES (CONSOLIDATION) ACT, 1908."



Wm
A 5/-
Companies
Registration
Fee Stamp
to be
impressed
here.

DECLARATION of Compliance with the requirements of the Companies

(Consolidation) Act, 1908, made pursuant to S. 17 (2) of the said Act

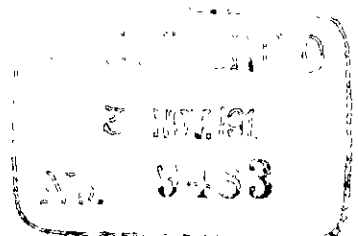
(8 Edw. 7. c. 69), on behalf of a Company proposed to be registered as ~~the~~

Lithgows Limited

Presented for Filing

by Wm H. Kinnear, Secy.

in book No. 1
Vol. 14. 1



George Murray,
of 2 Argyle Street, Greenock

(a) Here insert:—
"A Solicitor of the
High Court engaged
in the formation,"
or
"A person named in
the Articles of
Association as a Direc-
tor or Secretary."

Do solemnly and sincerely declare that I am ^(a) an Enrolled

Law Agent engaged in the formation

of the Lithgows

Limited, and That all the requirements of the Companies (Consolidation)
Act, 1908, in respect of matters precedent to the registration of the said
Company and incidental thereto have been complied with. And I make
this solemn Declaration conscientiously believing the same to be true and by
virtue of the provisions of the "Statutory Declarations Act, 1835."

Declared at

Greenock

the

20th day of November

one thousand nine hundred and eighteen before

me,

John Young J.P.

A Commissioner for Oaths.

George Murray

NOTE.—This margin is reserved for binding, and must not be written across.

PRIVATE COMPANY.



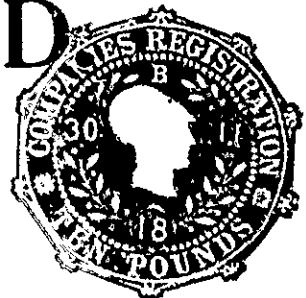
THE COMPANIES ACTS, 1908 TO 1917

COMPANY LIMITED BY SHARES.

Memorandum of Association

OF

LITHGOWS LIMITED



I.—The name of the Company is LITHGOWS LIMITED.

II.—The registered Office of the Company will be situate in Scotland.

III.—The objects for which the company is established are :—

1. To acquire as at 30th November, 1917, and take over as a going concern the business hitherto carried on in Port-Glasgow under the style or firm of RUSSELL & COMPANY, as Shipbuilders and Ship Repairers, and to acquire and undertake all or any of the assets and liabilities of the said firm.
2. To carry on either in combination or separately the businesses of Shipbuilders, Ship Repairers, Engineers, Boilermakers, Ironfounders, Brassfounders, Copper-smiths, Tinsmiths, Salvage Contractors, Metal Forgers, Sawmillers, Owners and Lessees of Harbours, Docks and Piers, Warehousemen, Storekeepers, Shipowners, Iron and Coal Masters and Manufacturers, Merchants and Dealers of and in armour plates, ordnance of all kinds and other instruments and appliances in connection with shipbuilding and engineering, and every description of goods, produce, outfit, stores, wares and merchandise.

3. To build, equip, and repair ships and vessels of all kinds, including warships, and to manufacture, acquire, and repair engines, boilers, machinery, and other appliances and things used in or about, or for the purposes of, ship-building or marine engineering.
4. To own, manage, charter, and hire Steam or other Ships and Vessels, floating docks, pontoons, and other craft of every description.
5. To carry on any other trade or business whether manufacturing or otherwise, which may seem to the Company capable of being advantageously or conveniently carried on by way of extension of, or in connection with any of the before-mentioned objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company's assets.
6. To purchase, lease, hire, or otherwise acquire, lay out and develop real or leasehold property or any easements, rights, privileges or concessions or any interest therein necessary or convenient for the Company's business or for developing the same.
7. To purchase, lease, hire, or otherwise acquire, and to erect, construct, maintain and improve any buildings (including dwelling-houses, hostels, hotels, public-houses, shops, canteens, club houses or rooms and halls for the accommodation and use of the employees of the company or others), works, yards, harbours, docks, graving docks, wharves, slips, canals, railways, tramways, machinery, plant, and other appliances necessary or convenient for the business of the Company, or to join with any firm or Company in doing any of things aforesaid and to work, manage, or control the same, or to join with others in so doing and generally, from time to time, to provide all requisite accommodation and facilities for the purpose of the Company.
8. To insure, if the company sees fit, the whole or any part of the property of the company, either fully or partially, and that either on the mutual principle or by forming a General Reserve or Insurance Fund, or by insurance effected with the Company itself as insurer, or with other Companies or persons, and to effect re-insurances and counter-insurances.
9. To apply for, purchase, or by other means acquire, and protect, prolong, renew, hold, exercise, and use, whether in the United Kingdom or elsewhere, any patents, patent rights, brevets d'invention, licences, protections, and concessions which may appear likely to be advantageous or useful to the Company, and to use and turn to account, and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon and testing and in improving or seeking to improve any patents, inventions, or rights which the Company may acquire or propose to acquire.
10. To enter into any partnership or arrangement for sharing of profits, union of interests, reciprocal concessions, joint adventure or co-operation with any person, company or corporation, carrying on or about to carry on, or assisting as contractors, employees or otherwise in carrying on any business which this Company is authorised to carry on, or any business or transaction capable of being conducted so as, directly or indirectly, to benefit this Company, and to subsidise or otherwise assist any such person, company or corporation.

11. To pay for any purchase in cash, or by Bills of the Company, or by ordinary preference, guaranteed, deferred, or other Shares in the Company, in any case fully paid up, or partly paid up, or by the debentures, mortgage debentures, or other securities or acknowledgments of the Company, or partly by cash, Bills, ordinary, preference, guaranteed, or deferred Shares or debentures, mortgage debentures, or other securities or acknowledgments of the Company, or one or more of them, or in any other manner as may be agreed upon.
12. To sell, improve, manage, cultivate, develop, exchange, hire, lease, mortgage, dispose of, turn to account, or otherwise deal with the undertaking, or all or any part of the property and rights of the Company for such consideration as the Company may think fit and in particular for Shares (fully or partly paid up), debentures, stock or securities of any other Company.
13. To invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may from time to time be determined.
14. To lend and advance money or give credit to such persons and on such terms as may seem expedient, and in particular to customers and others having dealings with the Company, and to give guarantees or become security for any such persons.
15. To borrow, or raise, or secure the payment of money by bonds or mortgages, or by the issue of debentures or debenture stock, perpetual or otherwise, or in such other manner as the Company shall think fit; and for the purposes aforesaid to mortgage, pledge, or charge the whole or any part of of the property, assets or revenue of the Company, present and future, including the uncalled capital for the time.
16. To draw, make, endorse, discount, execute, and issue promissory notes, bills of exchange, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
17. To apply for, promote, and obtain any Act of Parliament, Provisional Order, or license of the Board of Trade or other Authority, for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's Constitution, or for any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
18. To enter into any arrangements with any Governments or authorities (supreme, municipal, local, or otherwise), or any corporations, companies, or persons that may seem conducive to the Company's objects, or any of them, and to obtain from such Government, authority, corporation, company, or person, any charters, contracts, decrees, rights, privileges, and concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, contracts, decrees, rights, privileges, and concessions.

20. To recover for any person, firm, or company, whether by cash payment or by the assignment to him or them of shares or securities of the Company, credited as paid up in full or in part, or otherwise.
21. To pay all or any expenses incurred in connection with the formation, promotion and incorporation of the Company, or to contract with any person, firm, or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any shares, debentures, debenture stock or securities of the Company.
22. To establish and support or aid in the establishment or support of associations, institutions, funds, trusts, and conveniences calculated to benefit employees or ex-employees of the Company or its predecessors in business, or the dependants or connections of such persons; to grant pensions or allowances and to make payments towards insurances; to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition, or for any public, general, or useful object, and to provide or support parks, recreation grounds, institutions, clubs and other public or private benefactions.
23. To procure the Company to be registered or recognised in any colony or dependency and in any foreign country or place.
24. To promote any other company for the purpose of acquiring all or any of the property, and undertaking any of the liabilities of this Company or of undertaking any business or operations which may appear likely to assist or benefit this Company or to enhance the value of any property or business of this Company and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or any part of the shares or securities of any such Company as aforesaid.
25. To distribute among the members of the Company, in kind, any property of the Company, and in particular any shares, debentures, or securities of other companies belonging to this Company, or of which this Company has the power of disposing.
26. To do all or any of the above things in any part of the world, and either as principals, agents, contractors, trustees or otherwise, and either alone or in conjunction with others or by or through agents, sub-contractors, trustees, or otherwise.
27. To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

And it is hereby declared that the word "Company" in this clause shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in the United Kingdom or elsewhere, and the intention is that the objects specified in each of the first four paragraphs of this clause shall, except where otherwise expressed in such paragraph, be in nowise restricted by reference to or inference from the terms of any other paragraph.

IV.—The liability of the members is limited.

V.—The share capital of the Company is £2,000,000 divided into 20,000 Shares of £100 each. The Company has power to increase or reduce its capital, and to issue the original increased or reduced capital with, or subject to, such rights and privileges, deferred, guaranteed, or preferential, as may be specified in the Articles of Association of the Company for the time being.

We, the several persons whose names, addresses, and descriptions are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of Shares in the Capital of the Company set opposite our respective names.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS.	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER.
<i>James Lithgow,</i> <i>Kingston Shipbuilding Yard</i> <i>Port Glasgow.</i> <i>Shipbuilder.</i>	<i>one.</i>
<i>James Lithgow.</i> <i>Kingston Shipbuilding Yard</i> <i>Port Glasgow.</i> <i>Shipbuilder.</i>	<i>- one. -</i>

Dated the *TwentySixth* day of November, Nineteen Hundred and Eighteen.

Witness to the above signatures.

George Munroe,
2 Apple Street, Greenock,
Writer.

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PRIVATE COMPANY.



THE COMPANIES ACTS, 1908 TO 1917.

COMPANY LIMITED BY SHARES.

Articles of Association

OF

LITHGOWS LIMITED.

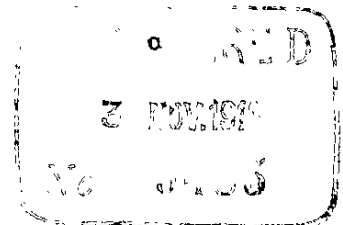
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I.—PRELIMINARY.

1. The regulations of the Table marked A in the First Schedule to the "Companies (Consolidation) Act, 1908," shall not apply to the Company, except so far as the same are repeated or contained in these presents.

2. The Company shall be a Private Company, and as such shall be subject to the following provisions, viz :—

- (i.) No invitation or appeal shall be made to the public to become members of the Company or to subscribe for any of its shares or debentures.
- (ii.) The number of members of the Company (exclusive of persons in the employment of the Company and of persons who having been formerly in the employment of the Company, were, while in such employment, and have continued after the determination of such employment, to be members of the Company) is limited to and shall at no time exceed fifty, and the Directors shall refuse to recognise or register any transfer which, if registered, would have the effect of causing the number of members to exceed fifty, provided always that where two or more persons hold one or more shares jointly they shall, for the purposes of this Article, be treated as a single member.



II.—INTERPRETATION.

3. In the construction of these presents, the following words and expressions shall have the several meanings hereby attached to them, unless there be something in the subject matter or context repugnant thereto, that is to say :—

Words importing the singular number only shall include the plural, and *vice versa*; and words importing the masculine gender only shall include females.

Words importing persons include bodies corporate.

"Month" means calendar month

"Writing" includes printing, lithography, typewriting, or other substitutes for writing.

"The Directors" means the Directors for the time being of the Company.

The words "The Office" mean the Registered Office for the time being of the Company.

The words "The Statutes" mean the "Companies Acts, 1908 to 1917," and any other Act for the time being in force concerning Joint Stock Companies and affecting the Company.

The word "Capital" means the nominal Share Capital of the Company for the time being.

III.—OFFICE.

4. The Office shall be in Port-Glasgow or such other place in Scotland as the Directors may from time to time appoint.

IV.—SHARES.

5. The initial Capital of the Company is divided into 500 Preference Shares of £100 each, and 19,500 Ordinary Shares of £100 each. The holders of the said Preference Shares will be entitled to a fixed cumulative preferential dividend of six per centum per annum on the amount paid up or credited as paid up thereon, and in addition a non-cumulative further dividend referred to in Article 109 hereof, and in a winding up to repayment of capital together with any arrears of dividend, in priority to all other shares for the time being forming part of the capital of the Company, but to no other right of participation either in profits or assets.

6. The Shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons at such times and on such terms as they think proper, and in particular they may allot or issue fully or partly paid-up Shares in the Company as payment or part payment for any property or right acquired, or for services rendered or to be rendered to the Company by employees of the Company or others, or for money.

7. No part of the moneys of the Company shall be applied in the purchase of, or lent upon the security of, Shares of the Company.

8. The Company shall not be affected by, and may decline to receive, notice of any trust to which any Share or the dividend thereon may be subject, and it shall not be bound

or required to see to the execution thereof, or to the application of the moneys subject thereto.

9. All Certificates of Shares shall be issued under the Seal of the Company and shall be signed by one Director and the Secretary, or some other person nominated by the Directors for the purpose, and every member shall be entitled without payment to one certificate for all the Shares registered in his name, or to several certificates, each for one or more of such Shares.

10. If any Certificate be worn out or lost, the same may be renewed on payment of such sum (if any) not exceeding One Shilling, as the Directors may prescribe, but should the former Certificate not be produced for the purpose of being cancelled or destroyed, then a new Certificate shall be given on the production of such evidence as to the loss or destruction of the former Certificate, or upon such indemnity or other terms as the Directors may in each case require or exact.

11. The Certificate of Shares registered in the names of two or more persons shall, unless otherwise directed by such persons, be delivered to the person first named on the Register.

12. Every person who has accepted or who may accept any Share or Shares, and whose name is entered in the Register, and no other person, shall be deemed to be a member.

13. Where a Share is sold or transferred by the Directors, and the Certificate thereof has not been delivered up to the Company, the Directors may issue a new Certificate of the Share, distinguishing it as they think fit from the Certificate not so delivered up.

V.—CALLS ON SHARES.

14. The Directors may from time to time make such calls as they think fit upon the members in respect of all moneys unpaid on the Shares held by such members respectively and not by the conditions of allotment thereof made payable at fixed times. Each member shall pay the amount of the call so made to the persons and at the times and places appointed by the Directors. A call may be made payable by instalments.

15. Notice of every call shall be given, unless otherwise provided by the conditions of allotment, one month at least previous to the time of payment, to every member liable for such call; and such notice shall specify the amount and the time or times and place for payment of the call.

16. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.

17. The joint holders of a Share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such Shares; but the joint holder whose name stands first in the register shall alone be entitled to receive all notices, and shall, in case of difference, be alone entitled to exercise the rights of a Shareholder.

18. If before or on the day appointed for payment thereof a call payable in respect of a Share is not paid, the holder for the time being of such Share shall pay interest on the amount of the call at the rate of 10 per cent. per annum from the day appointed for payment thereof to the time of actual payment, provided, however, that the Directors may, if they think fit, remit all or any part of such interest.

19. The Directors may, if they think fit, in respect of any Shares not fully paid up, receive from any Shareholder willing to advance the same, all or any part of the moneys due upon his Shares beyond the sum actually called up thereon, and upon the moneys so paid in advance, or so much thereof as exceeds the amount for the time being called up on the Shares in respect of which such advance has been made, the Directors may pay or allow such interest at such rate as may be agreed upon between the Directors and Shareholders paying such sum in advance; but any amount so for the time being paid in advance of calls shall not be included or taken into account in ascertaining the amount of the dividend payable upon the Shares in respect of which such advance has been made.

VI.—LIEN ON SHARES.

20. The Company shall have a first and paramount lien on all the Shares registered in the name of a member (whether solely or jointly with others) for all moneys due to the Company from him or his estate, either alone or jointly with any other person whether a member or not, and whether the period for the payment, fulfilment, or discharge thereof shall have actually arrived or not. The Company's lien (if any) on shares shall extend to all dividends payable thereon.

21. For the purpose of enforcing such lien the Directors may sell the Shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have arrived, and until notice in writing shall have been served on such member, his executors or administrators, and default shall have been made by him or them in the payment, fulfilment, or discharge of such debts, liabilities, or engagements for seven days after such notice.

22. The net proceeds of any such sale shall be applied in or towards satisfaction of the amount due, and the residue (if any) shall be paid to such member or his executors, administrators, or assigns.

23. Upon any such sale as aforesaid, the Directors may enter the purchaser's name in the register as holder of the Shares, and the purchaser shall not be bound to see to the regularity or validity of, or be affected by any irregularity or invalidity in the proceedings, or be bound to see to the application of the purchase money, and after his name has been entered in the register the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only, and against the Company exclusively.

VII.—FORFEITURE OF SHARES.

24. If any member fail to pay any instalment or call or money payable under the terms of allotment of a share on or before the day appointed for payment thereof, the Directors may, at any time while the same remains unpaid, serve a notice on him requiring him to pay the same at a place or places to be specified, within not less than fourteen days from the date thereof, together with any interest that may have accrued thereon, and any expenses that may have been incurred by the Company by reason of such non-payment. Such notice shall also state that, in the event of non-payment at or before the time and at the place or places specified, the Shares in respect of which such instalment was due or call was made will be liable to be forfeited.

25. If the requisitions of any such notice as aforesaid are not complied with, any Shares in respect of which such notice has been given may, at any time thereafter, before payment of all moneys due thereon, with interest and expenses in respect thereof, shall have been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Shares, and not actually paid before forfeiture.

26. Notice of forfeiture shall be given to the member in whose name the Shares stood immediately prior to the forfeiture, and an entry of the forfeiture with the date thereof shall be forthwith made in the register.

27. The day of forfeiture shall be that on which the resolution declaring the forfeiture is passed by the Directors.

28. The Directors may, in their discretion, remit any forfeiture within twelve months thereafter on such terms as they may think fit.

29. Shares forfeited shall become the property of the Company, and the Directors may sell, re-allot, or otherwise dispose of the same in such manner as they think fit.

30. Any member whose Shares have been forfeited shall, notwithstanding such forfeiture, be liable to pay to the Company all calls or other money, interest, and expenses owing in respect of such Shares at the time of forfeiture, together with interest thereon from the time of forfeiture until payment at the rate of 8 per cent. per annum, or such rate as may be fixed by the Directors.

31. Sales of shares of the Company under any of the powers authorising the Directors in that behalf may be made either by public action or private contract, with or without previous advertisement, to any member or any other person in their opinion eligible for membership who will purchase the same.

32. An entry in the Minutes of the Directors that any share has been forfeited by the Directors and stating the time when it was forfeited shall be *prima facie* evidence in favour of the Company, and conclusive evidence in favour of any future purchaser thereof from the Company that such Share was duly forfeited, and such entry and the receipt of a Director, Manager, or other officer of the Company for the price shall constitute a good title to such Share, and the purchaser shall thereupon be entered in the register as a member in respect of such Share and a certificate of proprietorship shall be delivered to him. The purchaser shall not be bound to see to the regularity or validity of, or be affected by any irregularity, or invalidity in the proceedings, or be bound to see to the application of the purchase money, and after his name has been entered in the Register in purported exercise of this article, the validity of the proceedings shall not be questioned by any person.

VIII. SURRENDER OF SHARES.

33. The Directors may accept from any member, on such terms and conditions as shall be agreed on, a surrender of his shares or any part thereof, and any such shares so surrendered shall be dealt with in the same manner as is provided for in Article 29.

IX.—TRANSFER AND TRANSMISSION OF SHARES.

34. The instrument of transfer of any share shall be in writing, and may be in the usual common form.

35. The instrument of transfer of any share shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the Register of Members in respect thereof. One witness shall be sufficient to attest each signature.

36. All transfers of shares of the Company shall be subject to the approval and sanction of the Directors, who may refuse to recognise or register any transfer without assigning any reason for such refusal.

37. Every instrument of transfer shall be left at the Office to be registered, accompanied by the certificate of the shares to be transferred and such other evidence as the Directors may reasonably require to prove the title of the transferor or his right to transfer the shares, and with the payment of Two Shillings and Sixpence, or such other fee as the Directors may from time to time determine.

38. No share shall in any circumstances be transferred to any minor, bankrupt or person of unsound mind.

39. The following provisions as to Transfer of Shares in the Company shall apply and receive effect, viz. :—

- (a) Any member who proposes to transfer shares (hereinafter called "the transferring member") shall first, in writing, offer the shares (hereinafter called "the offered shares") to the Directors for purchase by the nominee or nominees of the Directors, at the price hereinafter defined as "the fair value," and such offer shall not be withdrawn except with the sanction of the Directors.
- (b) The Directors shall in the first place offer in writing all such shares to James Lithgow and Henry Lithgow after-mentioned and the survivor *pro rata* to their share holdings at the time, and failing either of them taking up the shares so offered to him within fourteen days thereafter, such shares shall thereupon be offered to the other of them. But subject to this, the Directors shall have absolute discretion in selecting such nominee or nominees.
- (c) If the offered shares or any of them shall not be accepted by the said James Lithgow nor Henry Lithgow within twenty-one days from the date of such offer, or if they shall refuse the offer within that period in writing, but if the Directors shall within twenty-eight days from the date of such offer accept the offered shares in writing on behalf of any nominee or nominees of the Directors, who may agree to accept the same the transferring member shall sell and transfer the offered shares to such nominee or nominees as the case may be.
- (d) If neither the said James Lithgow nor Henry Lithgow nor the Directors shall accept the offer within the periods specified in (c) hereof or shall

refuse the offer within the said period in writing, the transferring member may, subject to the other provisions herein contained and particularly Article 36 hereof at any time within three months afterwards, be at liberty to sell and transfer the shares (or those not placed) to any person and at any price not being less than the fair value.

(e) If the nominee or nominees of the Directors be of their own number and if there should be any competition either as regards the Directors or Director to be nominated, or as regards the number of offered shares to be transferred to the Directors or Director so nominated, the shares shall be offered to such competing Directors *pro rata* to their holding at the date when the shares were so offered.

(f) For the purpose of this Article the fair value of the Preference Shares shall be the amount paid up or credited as paid up thereon with interest thereon at the rate of 6 per centum per annum from the date up to which the last dividend was paid thereon.

(g) The members shall at the annual meeting in each year fix for the succeeding year the price at which any Ordinary Shares shall be transferred and the price so fixed shall be the fair value for the purpose of this Article and shall rule until a new price is fixed.

(h) In any case where the transferring member shall make default in transferring shares as aforesaid, the Directors shall be entitled to receive and give a discharge for the price of such shares, and shall hold the amount in trust for the transferring member or the executors or testamentary trustees of a deceased member or the trustees for creditors of a bankrupt member so making default without any liability to pay interest on such amount. The receipt of the Secretary, Manager, or other Officer of the Company for the price shall constitute a good title to such shares, and the name of the purchaser shall be entered in the Register as the holder of such shares, and a certificate of proprietorship shall be delivered to him. The purchaser shall not be bound to see to the regularity or validity of or be affected by any irregularity or invalidity in the proceedings, or be bound to see to the application of the purchase money; and after his name has been entered in the Register in purported exercise of any power of this Article, the validity of the proceedings shall not be questioned by any person.

40. Any member in the employment of the Company, on ceasing to be employed by the Company, or on his death, the legal personal representatives of such member shall, if and when required by the Directors, be bound to sell and transfer his shares at fair value to the nominee of the Directors, and such nominee shall be bound to accept the shares at that price.

41. The transfer books and the register may be closed during such times as the Directors think fit, not exceeding in the whole thirty days in each year.

42. The Directors may decline to register any transfer of shares upon which the Company has a lien.

43. The executors or administrators of a deceased member shall be the only person recognised by the Company as having any title to his shares, except in the case of the

shares held on joint account, in which case the survivors or survivor or the executors of the deceased survivor shall be the only persons recognised by the Company as entitled to such shares.

44. Subject to the terms of Article 40 hereof on the death of a person holding shares of the Company, the Directors may at any time give notice to the legal personal representatives of such shareholder requiring them to hold such shares at the disposal of the Directors, whereupon such legal personal representatives shall be deemed to have offered his ordinary shares to the Directors in accordance with Article 39 (a) hereof with consequences similar to those mentioned in Article 48.

45. No specific legatee or other person shall be entitled to be registered in respect of shares of a deceased shareholder except on a transfer in ordinary form from such deceased shareholder's personal representatives.

46. No person claiming title to registered shares by transmission shall have any rights in respect thereof, except the right to be registered under the regulations of the Company, and to receive dividends actually declared but not paid before the death or other transmission of interest.

47. Any tutor, curator, or guardian of a pupil or minor member, and any *curator bonis* or committee of a lunatic member, and any person becoming entitled to shares or stock in consequence of the death or bankruptcy of any member, upon producing such evidence that he sustains the character in respect of which he proposes to act under this clause or of his title, as the Directors think sufficient, may, with the consent of the Directors (which they shall not be under any obligation to give), be registered himself as a member in respect of such shares or stock, or (subject to the regulations as to transfer herein contained) may transfer the same to some other person. This clause is hereinafter referred to as the "transmission clause."

X.—COMPULSORY RETIREMENT.

48. The Company may at any time, by extraordinary resolution, resolve that any holder of Shares, whether Preference or Ordinary, do transfer his Shares. Such Shares shall thereupon be deemed to have been offered to the Directors in accordance with Article 39 (a) hereof, and all the ancillary and consequential provisions of these Articles shall apply with respect to the completion of the sale of the said shares. Notice in writing of such resolution shall be given to the member affected thereby. For the purpose of this article any person entitled to transfer shares under the transmission clause shall be deemed the holder of such shares.

XI.—RESTRICTION OF MEMBERS.

49. No shareholder of the Company, other than the first Directors, shall without the consent in writing of all the Directors, be employed or concerned or interested in or assist in carrying on any business in competition with the Company, or having interests inconsistent with those of the Company.

XII.—INCREASE OF CAPITAL.

50. The Company in General Meeting may from time to time by special resolution increase the capital by the creation of new Shares to such an extent as may by such special resolution be determined.

51. Subject to any direction to the contrary that may be given by the meeting that sanctions the increase of capital, the shares to be issued as representing such increased capital shall be offered to the members of the Company in proportion to their respective holdings, and if such proportion include a fractional part of a share, such fractional part shall be dealt with as the Directors shall think fit; and such offer shall be made by notice specifying the number of new shares to which the member is entitled, and limiting a time within which the offer, if not accepted, shall be deemed to be declined, and after the expiration of such time, or on the receipt of an intimation from the member to which such notice is given that he declines to accept the shares offered, the Directors may dispose of the same in such manner as they may think most beneficial to the Company.

52. Subject to the provisions of the Memorandum of Association any new shares from time to time to be created, may from time to time be issued with any such guarantee or any such right of preference, whether in respect of dividend or of repayment of capital or both, or any such other special privilege or advantage over any shares previously issued, or then about to be issued or at such a premium or with such deferred rights as compared with any shares previously issued or then about to be issued, or subject to any such conditions or provisions and with the right, or without any right, of voting, and generally on such terms as the Company may from time to time by special resolution determine.

53. Except so far as otherwise provided by the conditions of issue, or by the Memorandum of Association and these Articles, any capital raised by the creation of new shares shall be considered as part of the original capital, and shall be subject to the same provisions in all respects, so far as applicable, as the shares forming the original capital.

XIII.—MODIFICATION OF CLASS RIGHTS.

54. All or any of the rights or privileges attached or belonging to any class of shares for the time being forming part of the capital of the Company may be modified, affected, varied, extended or surrendered in any manner with the sanction of an Extraordinary Resolution passed at a separate General Meeting of the members of that class. To any such General Meeting all the provisions of these Articles shall *mutatis mutandis* apply, but so that the necessary quorum shall be members of the class holding or representing by proxy one-third of the capital paid or credited as paid on the issued shares of the class.

XIV.—ALTERATIONS OF CAPITAL.

55. The Company may by special resolution so far modify the conditions contained in its Memorandum of Association as to do the following things or any of them:—

- (a) Consolidate and divide its capital into shares of larger amount than its existing shares.
- (b) By subdivision of its existing shares, or any of them, divide its capital or any part thereof, into shares of smaller amount than is fixed by its Memorandum of Association.

(c) Reduce its capital in any manner authorised by the statutes.

56. Anything done in pursuance of the last preceding article shall be done in manner provided by the statutes, so far as they shall be applicable, and so far as they shall not be applicable, in accordance with the terms of the special resolution authorising the same, and so far as such resolution shall not be applicable in such manner as the Directors deem most expedient.

57. The Directors may from time to time return paid-up capital upon the footing that it may be called up again or otherwise.

NV.—BORROWING POWERS.

58. The Directors may from time to time, at their discretion, raise or borrow, or secure the payment of any sum or sums of money for the purposes of the Company and they may raise or secure the payment or repayment of any such moneys in such manner and upon such terms and conditions in all respects as they think fit, and, in particular, may give security for money advanced, or to be advanced by the Company's bankers by way of overdraft, loan account, or otherwise, or may issue debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being:

59. Any debentures, debenture stock, stocks, bonds, or other securities may be issued at a discount, premium, or otherwise, and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors, or otherwise.

60. The Directors shall cause a proper register to be kept in accordance with section 100 of the Companies (Consolidation) Act, 1908, of all mortgages and charges specifically affecting the property of the Company.

XVI.—GENERAL MEETINGS

61. The first General Meeting of the Company called "the statutory meeting" shall be held at such time, within a period of not less than one month nor more than three months from the date at which the Company is entitled to commence business, and at such place as may be determined by the Directors.

62. Subsequent General Meetings shall be held once in the year 1919 and in every subsequent calendar year, and at intervals of not more than fifteen months after the holding of the last preceding General Meeting, on such day and at such time and place as may be determined by the Directors.

63. The above-mentioned General Meetings, except the first, shall be called Ordinary Meetings; all other meetings of the Company shall be called Extraordinary Meetings.

64. (a) The Directors may call an Extraordinary Meeting whenever they think fit.

(b) The Directors shall call an Extraordinary Meeting whenever a requisition, in writing, signed by the holders of not less than one-tenth in amount of the share capital then issued and on which all calls or other sums due have been paid, and stating fully the nature of the business for which the meeting is proposed to be called, shall be deposited at the Office.

- (c) Such requisition may consist of several documents in like form, each signed by one or more of the requisitionists.
- (d) If the Directors do not proceed to cause the meeting to be held within twenty-one days from the date of the requisition being so deposited, the requisitionists, or a majority of them in value, may themselves convene the meeting, but any meeting so convened shall not be held after three months from the date of such deposit.
- (e) If at any such meeting a resolution requiring confirmation at another meeting is passed, the Directors shall forthwith convene a further Extraordinary Meeting for the purpose of considering the resolution, and if thought fit, of confirming it as a special resolution; and if the Directors do not convene the meeting within seven days from the date of the passing of the first resolution, the requisitionists, or a majority of them in value, may themselves convene the meeting.
- (f) Any meeting convened by the requisitionists shall be convened in the manner, as nearly as possible, as that in which meetings are to be convened by the Directors.

65. Seven clear days' notice of any General Meeting, specifying the day, hour, and place of the meeting, shall be given to the members in manner hereinafter mentioned, or in such other manner as may from time to time be prescribed by the Company in General Meeting; but the non-receipt of such notice by any member, or the accidental omission to give any such notice to any member, shall not invalidate the proceedings at the meeting. Where it is intended to pass a special resolution, the two meetings may be convened by one and the same notice, and it is to be no objection to such notice that it only convenes the second meeting contingently on the resolution being passed by the requisite majority at the first meeting.

66. The notice convening an Ordinary Meeting shall specify the nature of any business intended to be transacted thereat, other than declaring dividends, electing Directors and Auditors and other officers retiring by rotation, and voting their remuneration (if any), and considering the accounts presented by the Directors, and the report of the Directors and the Auditors. The notice convening an Extraordinary Meeting shall specify the nature of the business intended to be transacted thereat.

XVII.--PROCEEDINGS AT GENERAL MEETINGS.

67. All business shall be deemed special that is transacted at an Extraordinary Meeting, and all that is transacted at an Ordinary Meeting shall also be deemed special, with the exception of sanctioning a dividend, the consideration of the accounts and balance sheets and the ordinary reports of the Directors and Auditors, and the fixing of the remuneration of the Directors and Auditors.

68. Two members personally present holding, or representing by proxy at least one-tenth in nominal value of the Ordinary Share Capital of the Company for the time being issued and entitled to vote, shall be a quorum at a General Meeting, and no business shall be transacted at any General Meeting (except the Statutory Meeting) unless the quorum requisite be present at the commencement of the business. If within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if convened upon the requisition of or by members, shall be dissolved. In any other

case it shall stand adjourned to the same day in the next week and at the same time and place and if at such adjourned meeting a quorum is not present within quarter of an hour from the time appointed for holding the meeting the members present shall be a quorum.

69. The Chairman (if any) of the Directors shall preside at every General Meeting, but if there be no such Chairman or if at any Meeting he shall not be present within fifteen minutes after the time appointed for holding the same or shall be unwilling to act as Chairman, the members present shall choose another Director to act as Chairman and if no Director be present, or if all the Directors present decline to take the chair, the members present shall choose one of their number to act as Chairman.

70. The Chairman may, with the consent of the meeting, adjourn any General Meeting from time to time, and from place to place; but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

71. Every question submitted to a General Meeting shall be decided in the first instance by a show of hands, and in case of an equality of votes the Chairman shall, both on a show of hands and at a poll, have a casting vote in addition to the vote or votes to which he may be entitled as a member.

72. At any General Meeting, unless a poll is demanded in accordance with Article 73 hereof, a declaration by the Chairman that a resolution has been carried or carried by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the minute book of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

73. A poll may be demanded in writing upon any question by not less than two members present in person or by proxy and entitled to vote, and holding together shares of the Company of the nominal amount of not less than one-tenth part of the capital represented at the meeting.

74. If a poll be demanded it shall be taken in such manner, at such place, and either immediately or at such other time, within fourteen days thereafter, as the Chairman shall before the conclusion of the meeting direct, and the result of such poll shall be deemed to be the resolution of the Company in the General Meeting at which the poll was demanded.

75. Any poll duly demanded on the election of a Chairman of a meeting, or on any question of adjournment, shall be taken at the meeting and without adjournment.

76. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

XVIII.—VOTING AT MEETINGS.

77. Every member shall have one vote for every Share held by him, as well at any General Meeting as at any poll; and in the case of Shares held by a co-partnership or firm any known partner of such co-partnership or firm so authorised shall be entitled to vote in respect of the same, but the Preference Shares shall not confer on the holders the right to attend or vote either in person or by proxy at any General Meeting except where the proposition to be submitted to the Meeting directly affects the rights and privileges of the holders of the Preference Shares.

78. Any person entitled under the transmission clause to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, providing that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to transfer such shares, or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

79. If two or more persons be jointly entitled to a share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto; and if more than one of such joint holders be present at any meeting, either personally or by proxy, that one of such persons whose name stands first in the register in respect of such shares shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall, for the purpose of this clause, be deemed joint holders thereof.

80. Votes may be given either personally or by proxy.

81. The instrument appointing any proxy shall be in writing under the hand of the appointer or of his Attorney duly authorised in writing, or if the appointer be a Corporation, under the common seal of such Corporation.

82. No member shall be entitled to be present or to vote, either personally or by proxy, or as proxy for another member, at any General Meeting, or upon any poll, or be reckoned in a quorum, whilst any call or other sum shall be due and payable to the Company in respect of any share of which he is the holder.

83. The instrument appointing a proxy and the power of attorney or other authority under which it is signed, shall be deposited at the Office not less than forty-eight hours before the time appointed for holding the meeting at which the person named in such instrument proposes to vote.

84. Any instrument appointing a proxy may be in the following form:—

Lithgows Limited.

"I, A. B., of _____, a member of
Lithgows Limited, hereby appoint C. D., of _____
whom failing E. F., of _____ as my proxy to vote for me and on my
behalf at the (Ordinary or Extraordinary, as the case may be) General Meeting
of the Company, to be held on the _____ day of _____
and at any adjournment thereof, and at every poll that may be taken in consequence thereof." Dated this _____ day of _____

Signed by the said A. B. in presence of _____

85. No person shall be appointed a proxy who is not a member of the Company or otherwise entitled to vote. Provided that where a corporation is the registered holder of shares of the Company the proxy may be any member or officer of such corporation, and such proxy shall, during the continuance of his appointment, be entitled to attend in person, speak, vote and sign a demand for a poll at any meeting, and sign any requisition in the same way as if he were the holder of the shares in respect of which he may have been appointed proxy.

86. No objection shall be made to the validity of any vote, whether given personally or by proxy, except at the meeting or poll at which such vote shall be tendered; and every vote, whether given personally or by proxy, to which no objection shall be made at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.

87. No member shall be prevented from voting by reason of his being personally interested in the result of the voting.

XIX.—DIRECTORS.

88. James Lithgow, Shipbuilder, Port-Glasgow, and Henry Lithgow, Shipbuilder, Port-Glasgow, shall be the First Directors of the Company and, subject as hereinafter provided shall each hold office for life, ~~and so long as they and the survivor of them remain in office~~ the management and control of the Company shall be vested in them and him, and they and he may exercise all the powers, authorities, rights and discretions hereby expressed to be vested in the Directors.

89. The said James Lithgow and Henry Lithgow and the survivor of them whilst they and he remain in office, may from time to time and at any time appoint any other persons to be Directors or Managing Directors of the Company and may define, limit and restrict the powers of Directors or Managing Directors, and may fix and determine their remuneration and duties, and may at any time remove any Director, or Managing Director, however, appointed. Every such appointment or removal shall be in writing under the hand of the said James Lithgow and Henry Lithgow or the survivor of them.

90. The qualification of a Director, other than a director appointed under the immediately preceding article, shall be the holding in his own right alone, and not jointly with any other person, of shares in the Company of the nominal value of £1,000, and this qualification shall be required as well of the first Directors as of all future Directors.

91. The Directors, (other than a Director or the Managing Director or Directors appointed under Article 89 hereof,) shall receive as remuneration for their services such sum as may from time to time be fixed by the Company in General Meeting, and such remuneration shall be divided among them in such proportions and manner as they shall determine.

92. No Director shall vacate office by reason of his or of any company, association or partnership, of which he is a Director, member or partner, having entered into contracts with the Company, and any Director or any Company, association or partnership, of which he may be a Director, member or partner, may enter into contracts with the Company, or accept employment from the Company, and receive and retain profits, and remuneration in respect thereof, and such contracts shall not be voidable at the instance of the Company, or of any person or person in respect of the personal interests of any Director therein as aforesaid: Provided always that the fact of such Director being interested in any such contract, and the nature of his interest be disclosed by him at the meeting of the Directors at which the contract is determined on, if his interests then exist, or in any other case at the first meeting of the Directors after the acquisition of his interest. The First Directors shall be entitled to vote, as Directors, upon any question arising in connection with any such contract in which they are so interested.

93. The continuing Directors may act at any time notwithstanding any vacancy in their body: provided always that in case the Directors, other than the First Directors, shall any time be reduced in number to less than two it shall be lawful for them to act as Directors for the purpose of filling up vacancies in their body or of summoning a General Meeting of the Company, but not for any other purpose.

94. The Office of Director shall be vacated:—

- (a) If he resign his office and his resignation be accepted by the Directors.
- (b) If he cease to hold the qualifying amount of shares, or do not acquire the same within two months after election or appointment.
- (c) If he shall have absented himself (such absence not being absence with leave or on account of illness, or on the affairs of the Company) from Meetings of the Directors for six months in succession and the Directors or the other Director, if there be only one remaining, shall have resolved that his office shall be vacated.
- (d) If he become a lunatic or of unsound mind, or physically or mentally incapable of performing the functions of Director, and the Directors or the other Director, if there be only one remaining, shall resolve that he is disqualified.
- (e) If he become a bankrupt or suspend payment, or compound or execute a Trust Deed for behoof of his creditors.
- (f) If a resolution be passed at any Meeting of the Directors, holding two-thirds at least of the total shares held by the Directors, requesting him to resign his seat.
- (g) If he is removed by an Extraordinary Resolution of the Company.

95. (In the event of both the said James Lithgow and Henry Lithgow ceasing to hold office as Directors,) the Company in General Meeting may (1) remove (either immediately or prospectively) any (other) Director or any Managing Director and may appoint other persons to fill the vacancies, and (2) may from time to time appoint any other persons to be additional Directors of the Company and may define, limit and restrict their powers and fix and determine their remuneration and duties and the period for which they shall hold office.

96. The management of the business and control of the Company shall be vested in the Directors who in addition to the powers and authorities by these presents or otherwise expressly conferred upon them may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by statute expressly directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to any regulations from time to time made by the Company in General Meeting; but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

97. Without prejudice to the general powers conferred by the last preceding clause and the other powers conferred by these presents it is hereby expressly declared that the Directors shall have the following powers. That is to say, power—

- (a) To purchase or otherwise acquire the goodwill and connection of any business which can be lawfully carried on by the Company with or without any property used or held in connection herewith.
- (b) To pay for any property right or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds,

debentures, or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon and any such Bonds, Debentures or other securities may be either specifically charged upon all or any part of the property of the Company or its uncalled capital.

- (e) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as they think fit.
- (d) To determine by whom and in what manner, Bills, Notes, Receipts, Acceptances, Endorsements, Cheques, Releases, Contracts, and Documents may be signed on the Company's behalf.
- (e) From time to time to provide for the management of the affairs of the Company abroad in such manner as they think fit, and in particular to appoint any persons to be attorneys or agents of the Company with such powers including power to sub-delegate and upon such terms as they think fit.
- (f) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal responsibility for the benefit of the Company, such Mortgages of the Company's property as they think fit.
- (g) To appoint and at their discretion remove or suspend such managers, secretaries, officers, clerks, agents and servants or as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments.
- (h) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.
- (i) To enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.
- (j) To appoint any persons, firm or Company to be managers and from time to time to delegate to such managers all or any of their powers, authorities, rights and discretions as Directors, on such terms and conditions as they think fit and to revoke or vary any such delegation.

XX.—PROCEEDINGS OF DIRECTORS.

98. The Directors may meet together for the despatch of business, adjourn, and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business.

99. Questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes, the Chairman shall have a second or casting vote.

100. The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office.

101. If at any meeting of Directors the Chairman is not present at the time appointed for holding the same, the Directors present shall choose some one of their number to be Chairman of such meeting.

102. A Director may at any time and, on the request of a Director, the Secretary shall summon a meeting of the Directors, by notice served not less than three clear days before the day of the meeting. A Director who is not in the United Kingdom shall not be entitled to a notice of meeting.

103. All acts done by the Directors, or by any person acting as a Director, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment of any Director, or person acting as aforesaid, or that they, or any of them, were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

104. The Directors shall cause Minutes of all meetings of the Company and of the Directors to be made and duly entered in books provided for that purpose and any such Minutes, if purporting to be signed by the Chairman of the meeting at which any resolutions were passed or proceedings had, or by the Chairman of the next succeeding meeting, shall be received in evidence in all legal proceedings, and until the contrary is proved, every General Meeting of the Company and every meeting of the Directors in respect of the proceedings of which Minutes have been made, shall be deemed to have been duly held and convened, and all resolutions passed thereat or proceedings had, to have been duly passed and had.

105. A resolution in writing signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

106. The Directors may exercise the powers conferred by section 79 of the Companies (Consolidation) Act, 1908, and such powers shall accordingly be vested in them.

107. The Directors may comply with the requirements of any local law with which, in their opinion, it shall in the interests of the Company be necessary or expedient to comply.

XXI.—THE SEAL.

108. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors, and in the presence of at least one Director and of the Secretary, or of two Directors, and such Director and the Secretary, or two Directors respectively, shall sign every instrument to which the seal shall be affixed in their presence; and in favour of any purchaser or person bona fide dealing with the Company such signature shall be conclusive evidence of the fact that the seal has been properly affixed.

XXII.—DIVIDENDS AND RESERVE FUND.

109. Subject to the provisions herein contained as to reserve the profits of the Company available for dividend shall be applied first in payment of a fixed cumulative preferential dividend of 6 per cent. per annum upon the amount paid up or credited as paid up on the Preference Shares of the Company and subject thereto shall subject to Article

118 be applied in payment of dividends upon the Ordinary Shares of the Company in proportion to the amounts paid up or credited as paid up thereon respectively; but after, in any year, the dividends on the Preference Shares have been paid and 6 per cent. has been paid as dividend on the Ordinary Shares, any surplus profit available for that year shall, subjects to Article 118 be divided *pari passu* between the holders of the Ordinary and the Preference Shares in proportion to the amounts paid up or credited as paid up thereon respectively.

110. The Company in General Meeting may declare a Dividend or Bonus to be paid to the Members according to their rights and interest in the profits, but no Dividend or Bonus shall exceed the amount recommended by the Directors.

111. The Directors may from time to time, without calling a General Meeting, pay to the Members, on account of the next forthcoming dividend, such interim dividend as in their judgment the prospects of the Company shall warrant.

112. Where any business is bought by the Company as from a past date (whether such date be before or after the incorporation of the Company) upon the terms that the Company shall, as from that date, take the profits of the business and either pay no consideration therefor, or pay and give therefor interest on the purchase money or on any part thereof, or other consideration, any such profits for which no consideration is paid, or any excess of such profits over such interest or other consideration, where interest or other consideration is given therefor, shall be credited to revenue account, and if the profits in question shall be insufficient to pay the interest or make up the other consideration, the deficiency shall be debited to revenue account, and the excess or deficiency, as the case may be, shall, for the purpose of ascertaining the fund available for dividend, be treated as a profit or loss arising from the business or operations of the Company, provided always that the appropriation to dividend of such profits or excess of profits, as the case may be, is conditional upon the capital of the Company remaining intact after such appropriation is made.

113. The Directors may deduct from the dividend payable to any member all such sums of money as may be due from him to the Company, either solely or jointly with any other person.

114. Notice of any dividend that may have been declared shall be given to each member entitled to participate therein, or sent by post or otherwise to his registered place of abode or last known address.

115. The receipt of any one of the joint holders of a share shall from time to time be a sufficient discharge to the Company for any dividend or other sum of money payable in respect of such share.

116. The Directors may retain the dividends payable upon the registered shares in respect of which every person is, under the transmission clause, entitled to become a member, or which any person under that clause is entitled to transfer until such person shall become a member in respect of such shares, or shall duly transfer the same.

117. All dividends unclaimed for one year after having been declared, may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

118. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sum as they think proper as a Reserve Fund. The amount at the credit of such fund may from time to time be applied by the Directors in their discretion to meet depreciation or contingencies, or for improving, repairing, and maintaining the property or works, plant, and machinery of the Company, or any part thereof, or for the redemption of Mortgage Debentures, or Debentures, or Debenture Stock, or they may, subject to the provisions hereof, apply it in equalising dividends, or in addition to dividends out of ordinary profits, or as bonuses, or may otherwise apply it for the general purposes of the Company. The Directors may also from time to time carry forward such amount as may be deemed expedient in the interests of the Company.

119. Unless otherwise directed, every dividend, shall be payable in Great Britain, and may be paid by cheque or dividend warrant. Every such cheque or dividend warrant may be sent through the post, addressed to the member at his registered place of abode or last known address, and after having been posted as aforesaid shall be at the risk of the member, and proof that such cheque or dividend warrant was properly addressed and put into the Post Office shall exonerate the Company.

120. No dividend shall bear interest as against the Company.

XXIII.—ACCOUNTS.

121. The Directors shall cause true accounts to be kept:—

- (a) Of the assets and stock-in-trade of the Company.
- (b) Of the sums of money received and expended by the Company, and the matter in respect of which such receipt and expenditure takes place; and
- (c) Of the credits and liabilities of the Company.

122. The books of account shall be kept at the Office, or at such other place or places as the Directors think fit. Except by the authority of the Directors or of a general meeting, no member shall be entitled to require or receive any information concerning the Company's business, trading, or customers, or any trade secret or secret process of or used by the Company beyond such information as to the accounts and business of the Company as is by these presents or by statute directed to be laid before the Company in general meeting, and no member shall be entitled to inspection of any of the books, papers, correspondence or documents of the Company except so far as such information is expressly authorised by statute or with consent of the Directors.

123. At the Ordinary General Meeting in every year, after the first Ordinary General Meeting, the Directors shall lay before the Company a duly audited Balance Sheet and Profit and Loss Account, containing a summary of the property and liabilities of the Company, and the profits of the business after deduction of all working and other charges, made up to as recent a date as practicable, from the time when the last preceding Account and Balance Sheet were made up, but such Balance Sheet and Account shall not be circulated.

XXIV.—AUDIT.

124. Once at least in every year the Accounts of the Company shall be examined, and the correctness of the Statement and Balance Sheet ascertained by one or more Auditor or Auditors.

125. The Company at each Ordinary Meeting shall appoint an auditor or auditors to hold office until the next Ordinary Meeting, and the provisions as to audit of the Companies (Consolidation) Act, 1908, shall have effect.

126. Every Account of the Directors when audited and approved by a General Meeting shall be conclusive, except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the Account shall forthwith be corrected and thenceforth shall be conclusive.

XXV.—NOTICES.

127. A notice may be served by the Company upon any member either personally or by sending it through the post in a prepaid letter, envelope, card, or wrapper addressed to such member at his registered address.

128. All notices directed to be given to the members shall, with respect to any Share to which persons are jointly entitled, be given to whichever of such persons is named first in the register of members, and notice so given shall be sufficient notice to all the holders of such Share.

129. Any member described in the register of members by an address not within the United Kingdom, who shall from time to time give the Company an address within the United Kingdom at which notice may be served upon him, shall be entitled to have notices served upon him at such address; but save as aforesaid no member other than a registered member described in the register of members by an address within the United Kingdom shall be entitled to receive any notice from the Company.

130. Any notice if served by post shall be deemed to have been served at the time when the letter, envelope, card, or wrapper containing the same is put into the post; and in proving such service it shall be sufficient to prove that the letter, envelope, card, or wrapper containing the notice was properly addressed and put into the post office.

131. Every person who by operation of law, transfer, or other means whatsoever shall become entitled to any share, shall be bound by every notice in respect of such share which previously to his name and address being entered on the register shall be duly given to the person from whom he derives his title to such share.

132. Any notice or document delivered, or sent by post to, or left at the registered address of any member in pursuance of these Articles, shall, notwithstanding such member be then deceased, or whether or not the Company have notice of his decease, be deemed to have been duly served in respect of any registered shares, whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these Articles be

deemed a sufficient service of such notice or document on his or her heirs, executors, or administrators, and all persons, if any, jointly interested with him or her in any such share.

133. Any notice and the signature thereto may be either written, printed, or typed.

XXVI.—WINDING-UP.

134. The Company shall be wound up voluntarily on the 30th day of November, 1928, unless the shareholders of the Company, shall on that day or earlier, by Extraordinary Resolution, resolve to the contrary.

135. The Company may resolve, at any time and for any purpose, by special resolution passed at an Extraordinary General Meeting and duly confirmed, to dissolve the Company, and that whether the object be the final or absolute extinction of the Company, or its re-constitution, reconstruction, or modification, or its amalgamation or sale, with or to any other company or person or any other object.

136. In case the Company is wound up, the surplus assets remaining after paying all debts and liabilities and the expenses of the winding up shall be applied in repayment (firstly) of the Capital paid up on the Preference Shares (secondly) in repayment of the Capital paid up on the Ordinary Shares, and the excess, if any, shall be distributed among the holders of Ordinary Shares in proportion to the number of shares held by them respectively at the commencement of the winding up.

137. If the Company shall be wound up, the liquidators (whether voluntary or official) may, with the sanction of an extraordinary resolution, divide amongst the contributories, *in specie*, any part of the assets of the Company, and may, with the like sanction, vest any part of the assets of the Company in Trustees, upon such trusts, for the benefit of the contributories as the liquidators, with the like sanction, shall think fit.

138. Any one or more of the Directors may be appointed as Liquidator or Joint Liquidators of the Company.

XXVII.—INDEMNITY.

139. Every Director, Managing Director, Manager, Secretary, and other officer or servant of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company, to pay all costs, charges, expenses, losses, and liabilities which any such officer or servant may incur or become liable to by reason of any contract entered into, or act or deed done by him or such officer or servant, or in any way in the discharge of his duties, including travelling expenses; and no Director or officer of the Company shall be liable for the acts or omissions of any other Director or officer, or by reason of his having joined in any receipt for money not received by him personally, or for any loss on account of defect of title to any property acquired by the Company, or on account of the insufficiency of any security in or upon which any moneys of the Company shall be invested, or for any loss incurred through any banker, broker, or other agent, or upon any ground whatever other than his own wilful acts or defaults.

Names, Addresses, and Descriptions of Subscribers.

James Lithgow
 Kingston Shipbuilding Yard,
 Port Glasgow.
 Shipbuilder.

James Lithgow,
 Kingston Shipbuilding Yard.
 Port Glasgow,
 Shipbuilder.

Dated the Twenty Sixth day of November, Nineteen Hundred and Eighteen.

Witness to the above signatures

George Munroe
 2 Argyle Street, Greenock
 Writer.

NOTE.—This margin is reserved for binding, and must not be written across.



The NOMINAL CAPITAL of the

Lithgow

Company, Limited,

is £ 2,000,000, divided into 20,000 shares of £ 100

each.

Signature

G. B. Allan

Description

Secretary

Date

26th November 1918

Lithgow~~COMPANY~~, LIMITED.

STATEMENT of the Nominal Capital made pursuant to s. 112 of 54 and 55
Vict., ch. 39, Stamp Act, 1891, as amended by s. 7 of 62 and 63 Vict., ch. 9 (Finance Act.
1899). (Note.—The Stamp Duty on the Nominal Capital is Five Shillings for every £100
or fraction of £100.)

This Statement is to be filed with the Memorandum of Association, or other Document,
when the Company is registered.

Presented for registration by

*Wm B. Kinnear & Co.**65 Bank St., Edinburgh*