

THE COMPANIES ACTS 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

WAVERLEY STEAM NAVIGATION CO. LIMITED

(Adopted by Special Resolution passed on the 2nd day of March 1988)

**(Amended by Special Resolution passed on the 26th day of February 2000 and
the 14th day of March 2009).**

(Amended by Special Resolution on the 20th day of October 2011).

1. Subject as hereinafter provided the Regulations contained in Part I and Part II of Table A in the First Schedule to the Companies Act, 1948, shall apply to this Company.
2. Regulations numbered 2 to 6, 11 to 14, 15 to 21, 24, 33 to 39, 40 to 46, 53, 75, 77 to 79, 84 (1) to (4), 87, 88, 96 to 99, 108, 114 to 122, 128, 129 and 135 contained in Part I of Table A in the First Schedule to the Companies Act 1948 shall no longer apply to this Company.

TRANSFER OF SHARES

3. Unless and until the Company in General Meeting shall otherwise determine, the shares of the Company shall only be allotted or transferred to individual persons who are members of the Paddle Steamer Preservation Society. A person to whom shares may be allotted or transferred pursuant to this Article is hereinafter referred to as "a person qualified for membership of the Company". No shares shall be allotted to any body corporate and no Member shall be entitled to become the beneficial owner of more than four shares of the Company. Notwithstanding the provisions of this Article shares of the Company may be allotted or transferred to the Paddle Steamer Preservation Society or to any body corporate (including a company limited by guarantee) established for charitable purposes or the trustees of a charitable trust without any limitation as to the number of shares beneficially owned and such persons or corporations shall be persons qualified for membership of the Company.
4. The Directors may at any time in their absolute and uncontrolled discretion refuse to register any transfer of shares, and shall so refuse if the transferee is not a person qualified for membership of the Company or if the transfer would involve a contravention of Article 6 hereof.
5. (a) If any Member shall cease to be a person qualified for membership of the Company, or if any person who is not qualified for membership of the Company shall become entitled to any share by reason of the death or bankruptcy of a member, or if the Directors consider it desirable in the interests of the Company that a member shall be expelled from membership of the Company or if the Company in General Meeting by Ordinary Resolution resolves that a Member shall be expelled, the Directors may, if they think desirable, and if an Ordinary Resolution as aforesaid is passed, shall call upon and compel such Member or other person or (in the event of the death of a Member) his legal personal representatives, to sell to such person (being a person qualified for membership of the Company) as may be nominated by the Directors the Shares standing in the name of such Member or former Member at the fair value thereof.

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(b) In the event of it being provided to the satisfaction of the Directors that a member is the beneficial owner of more than four shares of the Company or that a Member controls through a nominee more than four shares of the Company the Directors may call upon such Member to effect or arrange a transfer or transfers of the Shares in excess to such person as the Directors shall nominate and in default the Directors may authorise some person to execute the requisite transfer or transfers and may receive the purchase money (which shall be the fair value) on behalf of the person entitled thereto. For the purpose of ascertaining as to the true beneficial ownership of any shares of the Company the Directors may call upon any Member to make a Statutory Declaration in such terms as they think fit affirming that such Member is the beneficial owner of not more than four shares of the Company and default in making such Declaration shall be deemed to be evidence that some person other than the registered holder is the beneficial owner of the Shares.

6. For the purposes of Article 8 hereof the fair value of a Share shall be determined by agreement between the parties concerned or, in default of agreement, by the Auditor for the time being of the Company.

7. If any such call as is referred to in Article 8 hereof is not complied with within fourteen days from the same being made, the Company may receive the purchase money on behalf of the person entitled thereto and may authorise some person to execute a transfer of the Shares in favour of the purchaser. The receipt of the Company for the purchase money shall be a good discharge to the purchaser, and after his name 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 such person.

TRANSMISSION ON DEATH

8. In Regulation 32 of Part I of Table A the words "dividends and others" and the words "and if the notice is not complied with within 90 days the Governing Body (directors) may thereafter withhold payment of all dividends bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with" shall be deleted.

9. The words "one member" shall be substituted for the words "two members" in Regulation 49 of Part I of Table A.

10. In Regulation 58(b) of Part I Table A the word "two" shall be substituted for the word "three".

11. In Regulation 5 of Part II of Table A there shall be inserted after the word "passed" the words "as an ordinary resolution".

DIRECTORS

12. The qualification of a director shall be that he or she shall be and remain a fully paid up member of the Paddle Steamer Preservation Society.

13. (a) The number of the Directors shall be not less than two nor more than fourteen. The Company in General Meeting may reduce or increase these limits. Four Directors personally present shall constitute a quorum.

(b) The Paddle Steamer Preservation Society will have the right to appoint two members of its Council of Management as Directors of the Company, one of whom must be nominated by the Scottish Branch of the Paddle Steamer Preservation Society and be resident in Scotland. Further, at no time shall more than two members of the Council of Management of the Paddle Steamer Preservation Society (excluding any members of the said Council nominated by the Company) be Directors of the Company and if any nominations are

received in breach of this condition, then the Directors will be entitled to refuse such nominations. For the avoidance of doubt, Articles 89 to 93 of the said Table A will apply to these Directors.

14. The Company may without prejudice to the provisions of Section 184 of the Companies Act, 1948 by extraordinary resolution remove any Director before the expiration of his period of office, and may by ordinary resolution appoint another person in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In the case of a Managing Director the provisions of this clause as to removal shall be subject to the terms of any contract between him and the Company.

15. In Regulation 76 of Part I of Table A the words "the remuneration of the directors shall from time to time be determined by the Company in general meeting. Such remuneration shall be deemed to accrue from day to day" shall be deleted and the word "shall" shall be substituted for "may also".

16. Until the Company in General Meeting shall otherwise resolve the Directors may issue debentures, bonds or obligations of the Company at any time and in any form or manner and for any amount, and may raise or borrow any sums of money either upon mortgage or charge of any property or on bonds or debentures or otherwise as they may think fit, and they may cause or permit any such mortgages, charges, bonds, debentures or obligations to be redeemed or transferred as they may think fit.

DISQUALIFICATION OF DIRECTORS

17. The office of Director shall be vacated if the Director:
- (a) Resigns his office by notice in writing to the Company; or
 - (b) Becomes bankrupt or insolvent, or compounds with his creditors; or
 - (c) Becomes of unsound mind; or
 - (d) Ceases to hold his qualification, or does not obtain the same within two calendar months from the date of his appointment; or
 - (e) If he is prohibited from being a Director by an order made under any of the provisions of Section 188 of the Companies Act, 1948.

PROCEEDINGS OF DIRECTORS

18. In Regulation 102 of Part I of Table A there shall be added the words "All acts and proceedings of any such committee shall be reported to the directors as soon as possible".

DISSOLUTION

19. Clause 7 of the Memorandum of Association relating to the winding up and dissolution of the Company shall have effect as if the provisions thereof were repeated in these Articles.

LENGTH OF NOTICE FOR CALLING MEETINGS

20. A meeting of the company (other than an adjourned meeting) may be called –
- a) in the case of annual general meeting, by 14 days notice in writing; and
 - b) in the case of a meeting other than the annual general meeting or a meeting for the passing of a special resolution, by 14 days notice in writing.