

THE COMPANIES ACTS 1985 (AS AMENDED)

PRIVATE COMPANY LIMITED BY
SHARES

ARTICLES OF ASSOCIATION
OF
LYONESSE SHIPPING COMPANY LIMITED

INTERPRETATION

In these Articles:-

the "Act" means the Companies Act 1985 including any statutory modification or re-enactment of that Act for the time being in force.

"Table A" means Table A as prescribed by regulations made under Section 8 of the Act in force as at the date of adoption of these Articles.

PRELIMINARY

1. The Company is a private company and the regulations contained or incorporated in Table A shall apply to the Company except to the extent that they are varied by or are inconsistent with these Articles which together with the said regulations shall constitute the Articles of Association of the Company.
2. The following regulations of Table A shall not apply to the Company: 17, 24, 26, 60, 61, 64, 73 to 78 inclusive, 89, 93, 101 and 118.

SHARE CAPITAL

3. The share capital of the Company at the date of incorporation of the Company is 100 divided into 100 Ordinary Shares of £1.00 each
4. Subject to the provisions of Sub-Article (2) below and to any directions which may be given by the Company in general meeting, the directors have general and unconditional rights to exercise the power of the Company to allot relevant securities (within the meaning of Section 80(2) of the Act) and without prejudice to the generality of the foregoing any shares unissued at the date of incorporation of the Company and any shares hereafter created shall be under the control of the directors, who may allot, grant options or create subscription or conversion rights over, deal with or otherwise dispose of the same to such persons (including the directors themselves) on such terms and at such times as they may think proper, provided that no shares shall be issued at a discount.
 - (1) The maximum nominal amount of share capital which or in respect of which the directors may allot, grant options or create subscription or conversion rights over, deal with or otherwise dispose of in accordance with this Articles shall be the nominal amount of the authorised but unissued share capital at the date of the adoption of this Article or such other amount as may for time to time be authorised by the Company in general meeting.



- (2) The authority conferred on the directors by this Article shall expire on the fifth anniversary of the date of adoption of this Article unless previously renewed, varied or revoked by the Company in general meeting.
5. The pre-emption provisions of Section 89(1) and the provisions of Sections 90(1) to (6) inclusive of the Act shall not apply to the Company.

LIEN, CALLS ON SHARES AND FORFEITURE

6. Regulation 8 of Table A shall not apply to these Articles.

TRANSFER OF SHARES

7. Notwithstanding anything contained in these Articles, the Directors of the Company may not decline to register any transfer of shares in the Company and may not suspend any registration thereof, where such transfer is:
- (a) to a bank or institution to which such shares have been mortgaged or charged by way of security (whether as lender, or agent and trustee for a group of banks or institutions or otherwise) (a **Secured Institution**), or to any nominee of such Secured Institution, pursuant to any such security;
 - (b) executed by a Secured Institution either under the power of sale or any other power under the mortgage or charge by way of security or any other power in the document creating such security document creating such security interest over such shares; or
 - (c) executed by a receiver or manager appointed by or on behalf of any Secured Institution or its nominee, under any such security,

and furthermore, notwithstanding anything to the contrary contained in these Articles:

- (i) no transferor of any shares in the Company or proposed transferor of such shares to a Secured Institution or to its nominee;
- (ii) no Secured Institution or its nominee; and
- (iii) no receiver or manager appointed by or on behalf of a Secured Institution or its nominee,

shall be required to offer the shares which are or are to be the subject of any such transfer to the any shareholder for the time being of the Company or any of them, and no such shareholder shall have any right under these Articles or otherwise to require such shares to be transferred to them whether for consideration or not.

Notwithstanding anything contained in these Articles, 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 Institution, or which are transferred in accordance with this Article 7.

PROCEEDINGS AT GENERAL MEETINGS

8. Regulation 37 of Table A shall be amended by the substitution of the words "seven weeks" for the words "eight weeks".

9. Regulation 41 of Table A shall be amended by the addition at the end of the regulation of the following: "If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved."
10. Regulation 48 of Table A shall be amended by deletion of the words "but only with the consent of the chairman".
11. Regulation 53 of Table A shall be amended by the deletion of all words after "convened and held" and the addition of a second sentence reading:-

"Such resolution may consist of several documents in like form each signed by one or more members in which event the resolution shall be deemed passed upon notification *by any means) of signature to the registered office or the secretary of the Company".
12. Regulation 54 of Table A shall be amended by the substitution of the words "...in a poll every member shall have one vote" with "on a poll every member who is present in person, by representative or by proxy, shall have one vote".

VOTE OF MEMBERS

13. Regulation 57 of Table A shall be amended by the addition of the words "unless the directors otherwise determine after the words "no member shall ".
14. An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor, and shall be in any usual form or in a form approved by the directors. The appointment shall be valid for an adjournment of the meeting and the instrument shall be deemed to confer authority to vote on amendments to resolutions put to the meeting for which the authority is given or at an adjournment unless in each case the instrument of proxy states otherwise. Regulation 60 of Table A shall not apply.
15. Where it is desired to afford members an opportunity to instruct the proxy how he or she shall act, the instrument appointing a proxy shall be in any form which enable the members to direct how their votes are to be exercised on each of the resolutions comprised in the business of the meeting for which it is to be used. Regulation 61 of Table A shall not apply.
16. An instrument of proxy which has not been deposited as required by Regulation 62 of Table A shall nonetheless be treated as valid if before the close of business of the meeting at which the person named in the instrument proposed to vote the instrument of proxy is produced to the chairman of such meeting (Regulation 62 of Table A shall be modified accordingly).

NUMBER AND QUALIFICATIONS OF DIRECTORS

17. The number of directors may be fixed by the Company in general meeting and until so fixed there shall be no maximum number of directors but shall be not less than one.
18. No shareholding qualification for directors shall be required.

ALTERNATE DIRECTORS

19. An appointment of an alternate director shall be effected by notification in writing given to the Company by the director making such appointment and the alternate director shall vacate such office if his appointment is revoked in writing by the appointing director or if the appointing director himself ceases to be a director (Regulations 65 to 68 inclusive of Table A shall be modified accordingly).
20. An alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he or she were a director but he shall

not be entitled to receive from the Company in respect of his or her appointment as alternate director.

APPOINTMENT AND REMOVAL OF DIRECTORS

21. Without prejudice to the powers of the Company under section 303 of the Act to remove a director by ordinary resolution, the holder or holders for the time being of more than one half of the issued ordinary shares of the Company shall have the power from time to time and at any time to appoint any person or persons as a director or directors and to remove from office any director howsoever appointed. Any such appointment shall be effected by an instrument in writing signed by the member or members making the same or (in the case of a member being a corporation) signed on its behalf by one of its directors or its secretary and shall take effect upon lodging at the registered office of the Company.
22. Regulation 79 of Table A shall be modified by the deletion of the last two sentences commencing "A director so appointed...." and "If not reappointed...".
23. The office of a director shall be vacated if he is removed from office under Article 21 above. Regulation 81 of Table A shall be modified accordingly.
24. The directors shall not retire from office by rotation.
25. Any person may be appointed as a director whatever may be his age and no director shall be required to vacate his office by reason of his attaining or having attained the age of 70 years or any other age.

DIRECTORS REMUNERATION, APPOINTMENTS AND INTERESTS

26. The right of an executive director to remuneration fixed by the directors under Regulation 84 of Table A shall be in addition to any remuneration fixed by the Company in general meeting under Regulation 82 of Table A.
27. Subject to the provisions of Part X of the 1985 Act a director may be interested directly or indirectly in any contract or arrangements or in any proposed contract or arrangements with the Company or with any other company in which the Company may be interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of auditor of the Company or any subsidiary thereon under the Company or any such other company and he or any firm of which he is a member may act in a professional capacity for the Company or any such other company and be remunerated there/or. Notwithstanding his interest a director may vote on any matter in which he has declared to the Board in writing that he is interested (whether or not such interest conflicts with that of the Company) and be included for the purpose of a quorum at any meeting at which the same is considered and he may retain for his own benefit all profits and advantages accruing to him from any such interest to the extent that such interest has been declared as aforesaid (Regulations 85 and 94 of Table A shall be deemed modified accordingly).

PROCEEDINGS OF DIRECTORS

28. The quorum necessary for the transaction of the business of the directors may be fixed by the directors and until so fixed shall be (i) one if only one director shall be in office and (ii) two if there shall be more than one director in office. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
29. (1) A resolution in writing signed or approved in writing by each director or his alternate shall be as valid and effective as if it had been passed at a meeting of the directors duly convened and held and when signed may consist of several documents in like form each signed by one or more of the directors or their alternates in which event the resolution shall be deemed passed upon, notification (by any means) of signature to the registered office or the secretary of the Company.

- (2) It shall not be necessary for the purpose of a directors meeting that all participants be present at the same place provided that the directors counted in the quorum are all in contact for the purpose of the meeting whether in person or by radio or telephone or other instantaneous means of communication.

THE SEAL

30. The seal, if any, shall only be used with the authority of the directors or of a committee of directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or second director. The obligation under Regulation 6 of Table A in relation to the sealing of share certificates shall apply only if the Company has a seal. Regulation 101 of Table A shall not apply.

SINGLE MEMBER COMPANY

31. If at any time, and for as long as, the company has a single member all provisions of these Articles shall (in the absence of any expressed provision to the contrary) apply with such modification as may be necessary in relation to a company with a single member.

INDEMNITY

32. Subject to the provisions of the Act but without prejudice to any indemnity to which he may otherwise be entitled, every director or other officer or auditor of the Company shall be entitled to be indemnified, out of the assets of the Company, against all losses or liabilities which he may sustain or incur in or about or in connection with the execution of the duties of his office, including any liability incurred by him in defending any proceedings, (whether civil or criminal), in which judgement is given in his favour or in which he is acquitted, or in connection with any application under Section 727 of the Act in which relief is granted to him by the Court. No director or other officer of the Company shall be liable for any loss, damage or liability which may accrue to or be incurred by the Company in the execution of or in relation to the duties of his office. This regulation shall have effect only insofar as its provisions are not rendered void by Section 310 of the Act.