

COMPANY NUMBER 02012886

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
PORTICO SHIPPING LIMITED
PRELIMINARY

1 (A) In these articles, unless the context otherwise requires

"Act" means the Companies Act 2006

"address" has the same meaning as in section 1148 of the Act

"articles" means the articles of the Company

"Business Plan" means the business plan approved by the shareholders in accordance with articles 145 and 146 each year

"clear days" means, in relation to the period of notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect

"Company" means Portico Shipping Limited with registered number 02012886

"Companies Acts" means the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the company

"Conflict" has the meaning given in article 100

"Council" means Portsmouth City Council

"electronic form" and "electronic copy" have the same meaning as in section 1168 of the Act

"electronic means" has the same meaning as in section 1168 of the Act

"executed" means any mode of execution

"Group Company" means:

- (a) any subsidiary of the Company;
- (b) any parent undertaking or undertakings of the Company; and
- (c) any subsidiary of any such parent undertakings

"hard copy form" and "hard copy" have the same meaning as in section 1168 of the Act

"holder" means, in relation to a share, the member whose name is entered in the register of members as the holder of that share

"in writing" means in hard copy form or, to the extent permitted by the Act, in any other form

"office" means the registered office of the Company

“Permitted Situation” has the meaning given in article 104

“Relevant Director” has the meaning given in article 100

“relevant loss” means any loss or liability which has been or may be incurred by a director or former director of the Company or of Group Company in connection with that director’s duties or powers in relation to the relevant company or any pension fund or employees’ share scheme of that company

"seal" means the common seal of the Company

"secretary" means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary

“Secured Party” has the meaning given at article 16

“subsidiary” has the same meaning as in section 1159 of the Act

"United Kingdom" means Great Britain and Northern Ireland

- (B) Words and expressions to which a particular meaning is given by the Act in force when the articles (or any part of them) are adopted have the same meaning in the articles or such part of them (as the case may be), except where the word or expression is otherwise defined in paragraph (A).
- (C) Where an ordinary resolution of the Company is expressed to be required for any purpose, a special resolution is also effective for that purpose.
- (D) References to any statutory provision or statute includes all amendments thereto and all subordinate legislation made thereunder. This article does not affect the interpretation of article 1(B).

- 2 No regulations or articles set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies (including the regulations in the Companies (Model Articles) Regulations 2008 (SI 2008/3229)) shall apply as the articles of the Company. These articles alone shall be the articles of association of the Company.

PRIVATE COMPANY

- 3 The Company is a private company limited by shares and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

SHAREHOLDERS' RESERVE POWER

- 4 The shareholders may, by special resolution, direct the board and/or any director to take, or refrain from taking, specified action.
- 5 No special resolution under article 4 shall invalidate anything which the board and/or any director may have done before the resolution is passed.

SHARE CAPITAL

- 6 Subject to the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine.
- 7 Subject to the Act, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by the articles.

- 8 The Company may exercise the powers of paying commissions conferred by the Act. Subject to the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully paid or partly paid shares or partly in one way and partly in the other.
- 9 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by the articles or by law) the Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety of that share in the holder.

SHARE CERTIFICATES

- 10 Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall be sealed with the seal and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.
- 11 If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing out) on delivery up of the old certificate.

LIEN

- 12 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may at any time declare any share to be wholly or in part exempt from the provisions of this article. The Company's lien on a share shall extend to any amount payable in respect of it.
- 13 The Company may sell in such manner as the directors determine any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.
- 14 To give effect to a sale the directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- 15 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.
- 16 Notwithstanding the provisions contained in articles 12 to 16 (inclusive), any lien which the Company has shall not apply in respect of any shares that have been charged by way of security to a bank or financial institution, a subsidiary or subsidiary undertaking of that bank or financial institution, or the nominee of any such chargee (a "**Secured Party**").

CALLS ON SHARES AND FORFEITURE

- 17 Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to

be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or in part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.

- 18 A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
- 19 The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share.
- 20 If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the directors may waive payment of the interest wholly or in part.
- 21 An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call, and if it is not paid when due all the provisions of the articles shall apply as if that amount had become due and payable by virtue of a call.
- 22 Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.
- 23 If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid, together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.
- 24 If the notice is not complied with any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
- 25 Subject to the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before a sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the share to that person.
- 26 A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
- 27 A statutory declaration by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

TRANSFER OF SHARES

- 28 The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.
- 29 The directors may, in their absolute discretion and without giving any reason, refuse to register the transfer of a share to any person, whether or not it is a fully paid share or a share on which the Company has a lien.
- 30 If the directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
- 31 The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding 30 days in any year) as the directors may determine.
- 32 No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.
- 33 The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.
- 34 Notwithstanding anything otherwise provided in these articles, the directors shall not decline to register any transfer of shares nor suspend the registration thereof where such transfer is in favour of:
- 34.1 a Secured Party;
- 34.2 a purchaser, transferee or other recipient of any shares from a Secured Party; or
- 34.3 a purchaser of any shares from any receiver, administrative receiver or administrator appointed by a Secured Party.
- 35 No resolution shall be proposed or passed the effect of which would be to delete or amend article 34 without the prior written consent of any Secured Party which for the time being holds any mortgage or charge over any shares in the capital of the Company.

TRANSMISSION OF SHARES

- 36 If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest, but nothing in the articles shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.
- 37 A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.
- 38 A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares in the Company.

ALTERATION OF SHARE CAPITAL

- 39 The Company may by ordinary resolution:
- 39.1 increase its share capital by new shares of such amount as the resolution prescribes;
 - 39.2 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - 39.3 subject to the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and
 - 39.4 cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- 40 Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the Act, the Company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- 41 Subject to the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

PURCHASE OF OWN SHARES

- 42 Subject to the Act, the Company may purchase its own shares (including any redeemable shares) and make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

GENERAL MEETINGS

- 43 All meetings of the members shall be called general meetings.
- 44 The directors may call general meetings and, on the requisition of members pursuant to the Act, shall immediately proceed to convene a general meeting for a date not later than 28 days after receipt of the requisition¹. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member may call a general meeting.

NOTICE OF GENERAL MEETINGS

- 45 A general meeting called for the passing of a special resolution shall be called by at least 21 clear days' notice. All other general meetings shall be called by at least 14 clear days' notice but a general meeting may be called by shorter notice if it is so agreed:
- 45.1 in the case of a meeting called for the passing of an elective resolution, by all the members entitled to attend and vote at that meeting, and
 - 45.2 in the case of any other meeting, by a majority in number of the members having a right to attend and vote, being

¹ BB Note: this is the time period under the Act (s.303)

45.2.1 a majority together holding not less than such percentage in nominal value of the shares giving that right as has been determined by elective resolution of the members in accordance with the Act, or

45.2.2 if no such elective resolution is in force, a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

46 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

47 Subject to the provisions of the articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all the persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors.

48 The accidental omission to give notice of a general meeting or to send, supply or make available any document or information relating to a meeting to, or the non-receipt of any such notice, document or information by, a person entitled to receive any such notice, document or information shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

49 No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a council or corporation, shall be a quorum. If at any time the Company has a sole shareholder, the quorum shall be one person entitled to vote upon the business to be transacted, being a member or a proxy for a member or a duly authorised representative of a council or a corporation.

50 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such day and at such time and place as the directors may determine.

51 The chair, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chair of the meeting, but if neither the chair nor such other director (if any) is present within 15 minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chair and, if there is only one director present and willing to act, he shall be chair.

52 If no director is willing to act as chair, or if no director is present within 15 minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chair.

53 A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.

54 The chair may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 14 days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

55 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the Act, a poll may be demanded

55.1 by the chair, or

55.2 by any member present in person or by proxy and entitled to vote.

- 56 Unless a poll is duly demanded, a declaration by the chair that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 57 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chair and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 58 A poll shall be taken in such manner as the chair directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 59 In the case of an equality of votes, whether on a show of hands or on a poll, the chair shall be entitled to a casting vote in addition to any other vote he may have.
- 60 A poll demanded on the election of a chair or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such time and place as the chair directs not being more than 30 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 61 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven clear days' notice shall be given specifying the time and place time at which the poll is to be taken.
- 62 A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members. If a resolution in writing is described as a special resolution, it has effect accordingly.
- 63 The chair may permit other persons who are not:
- 63.1 shareholders; or
- 63.2 otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.

VOTES OF MEMBERS

- 64 Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or (being a council or corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share of which he is the holder.
- 65 In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members.
- 66 A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote

shall be deposited at the office, or at such other place as is specified in accordance with the articles for the deposit or delivery of forms of appointment of a proxy, or in any other manner specified in the articles for the appointment of a proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

- 67 No member shall, unless the directors otherwise determine, be entitled to vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.
- 68 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chair whose decision shall be final and conclusive.
- 69 On a poll, votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion. Deposit or delivery of a form of appointment of a proxy does not preclude a member from attending and voting at the meeting or at any adjournment of it.
- 70 Subject as set out herein, an instrument appointing a proxy shall be in writing in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the appointor save that, subject to the Act, the directors may accept the appointment of a proxy received by electronic means at an address specified for such purpose, on such terms and subject to such conditions as they consider fit. The directors may require the production of any evidence which they consider necessary to determine the validity of any appointment pursuant to this article.
- 71 The form of appointment of a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors shall be
- 71.1 in the case of an instrument of proxy in hard copy form, left at or sent by post to the office or such other place within the United Kingdom as is specified in the notice convening the meeting or in the form of appointment of proxy sent out by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the form of appointment of proxy proposes to vote,
- 71.2 in the case of an appointment of a proxy sent by electronic means, where the Company has given an electronic address
- 71.2.1 in the notice calling the meeting; or
- 71.2.2 in an instrument of proxy sent out by the Company in relation to the meeting, or
- 71.2.3 in an invitation to appoint a proxy issued by the Company in relation to the meeting, received at such address at any time before the time for holding the meeting or adjourned meeting at which the person named in the form of appointment of proxy proposes to vote,
- 71.3 in the case of a poll taken more than 48 hours after it is demanded, be deposited or delivered as required by articles 71.1 and 71.2 after the poll has been demanded and at any time before the time appointed for the taking of the poll, or
- 71.4 where the poll is not taken immediately but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chair or to the secretary or to any director, and a form of appointment of proxy which is not deposited or delivered in accordance with this article is invalid.
- 72 A vote given or poll demanded by a proxy or authorised representative of a company shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or, in the case of a proxy,

any other place specified for delivery or receipt of the form of appointment of proxy or, where the appointment of a proxy was sent by electronic means, at the address at which the form of appointment was received, before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

- 73 A company which is a member may, by resolution of its directors or other governing body, whether or not expressed to be pursuant to any provision of the Act, authorise one or more persons to act as its representatives at a meeting or at a separate meeting of the holders of a class of shares (a "representative"). Each representative is entitled to exercise on behalf of the company (in respect of that part of the company's holding of shares to which the authorisation relates) those powers that the company could exercise if it were an individual member. The company is for the purposes of the articles deemed to be present in person at a meeting if a representative is present. All references to attendance and voting in person shall be construed accordingly. A director, the secretary or other person authorised for the purpose by the secretary may require a representative to produce a certified copy of the resolution of authorisation before permitting him to exercise his powers.

NUMBER OF DIRECTORS

- 74 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) is not subject to a maximum and the minimum number is four comprising those roles set out at article 87.

ALTERNATE DIRECTORS

- 75 Any director (other than an alternate director) may appoint any other director who is willing to act, without the approval of the directors, to be an alternate director and may terminate the appointment of an alternate director so appointed by him.
- 76 An alternate director shall, whether or not he is absent from the United Kingdom, be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member. An alternate director may waive the requirement that notice be given to him of a meeting of directors or a committee of directors, either prospectively or retrospectively. Notice of a board meeting is deemed to be duly given to an alternate director if it is given to him personally or by word of mouth or by electronic means to an address given by him to the Company for that purpose or sent in writing to him at his last known address or another address given by him to the Company for that purpose. Where the alternate has already received such notice in his capacity as a director of the Company it shall not be necessary to duplicate such notice for his role as an alternate director. An alternate director shall be entitled to attend and vote at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate director.
- 77 An alternate director shall cease to be an alternate director if he ceases to be a director or his appointor ceases to be a director.
- 78 Any appointment or removal of an alternate director shall be by notice to the Company signed by the director making or revoking the appointment or in any other manner approved by the directors. Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the directors.
- 79 Save as otherwise provided in the articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

POWERS OF DIRECTORS

- 80 Subject to the Act and articles and to any directions given by special resolution, the business of the Company shall be managed by the directors who may exercise all the powers of the Company. No alteration of the memorandum or articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been

given. The powers given by this article shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

- 81 The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

DELEGATION OF DIRECTORS' POWERS

- 82 The directors may delegate any of their powers to any committee consisting of one or more directors. They may also delegate to any managing director or any director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of the articles regulating the proceedings of directors so far as they are capable of applying. Where a provision of the articles refers to the exercise of a power, authority or discretion by the directors and that power, authority or discretion has been delegated by the directors to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee.

APPOINTMENT AND REMOVAL OF DIRECTORS

- 83 The Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.
- 84 The directors may appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the articles as the maximum number of directors, any such appointment shall be notified in writing to the Council immediately upon being made and is subject to Council approval, which approval shall be deemed to have been given if no response has been received by the Company within 14 days of such notification having been delivered. Where the Council in writing within 14 days of receipt of notice reject the board's appointment the board shall immediately upon receipt of such notice terminate such directors appointment.
- 85 The Council may appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director by notice in writing to the Company, such appointment to take effect on the day that the notice is received or such later date as may be specified in the notice.
- 86 Subject to the Act and shareholder approval, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the Company.
- 87 The board of directors shall as a minimum, comprise of the following directors, each of whom shall be appointed and may be removed by the Council by notice in writing, in accordance with articles 85 and 88.8 respectively:

87.1 an independent non-executive chair;

87.2 a minimum of one independent non-executive director; and

87.3 a minimum of two further directors.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 88 The office of a director shall be vacated if
- 88.1 he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director, or

- 88.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally, or
 - 88.3 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months;, or
 - 88.4 he resigns his office by notice to the Company, or
 - 88.5 he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and his alternate director (if any) shall not during such period have attended any such meetings instead of him, and the directors resolve that his office be vacated, or
 - 88.6 he is removed from office by notice addressed to him at his last known address and signed by all his co-directors, or
 - 88.7 he is removed by an ordinary resolution;
 - 88.8 he is removed from office by notice in writing by the Council which shall be effective on the date on which the notice is received by the Company or such later date as may be specified in the notice; or
 - 88.9 in relation to the Council being an employee, councillor, or an elected member or directly elected mayor his appointment to or employment with the Council ceases.
- 89 Any appointment of a director to an executive office shall determine if he ceases to be a director but without prejudice to any claim for damages for breach of the contract of service between the director and the Company.

REMUNERATION & EXPENSES OF DIRECTORS

- 90 Subject to these articles, the directors shall be entitled to such remuneration as the Company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.
- 91 Directors who are Council officers shall be remunerated and must claim expenses in accordance with their contracts of employment or terms of appointment with the Council.
- 92 Where any director is a councillor, or an elected member or directly elected mayor of the Council then such a director may only be paid such fees and/or expenses as are permitted by the Local Authorities (Companies) Order 1995.
- 93 The Company may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director, subject to prior shareholder approval by ordinary resolution.
- 94 Subject to articles 91 and 92, the Company shall in accordance with any expenses policy adopted by ordinary resolution pay any reasonable expenses which the directors and the secretary (if any) properly incur in connection with their attendance at:
- 94.1 meetings of directors or committees of directors,
 - 94.2 General Meetings, or
 - 94.3 separate meetings of the holders of any class of Shares or of debentures of the company,
- or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

- 95 The payment of expenses to directors is subject to the production of satisfactory receipts.

DIRECTORS' INTERESTS

CONFLICTS OF INTEREST – TRANSACTIONS OR ARRANGEMENTS WITH THE COMPANY

- 96 The relevant provisions of the Act (including, without limitation, sections 177 and 182) shall apply in relation to declarations of interest in proposed and existing transactions or arrangements with the Company.
- 97 Provided that he has disclosed to the directors the nature and extent of any interest of his in accordance with and to the extent required by the Act, a director notwithstanding his office:
- 97.1 may be a party to, or otherwise interested in, any contract with the Company or a Group Company or in which any of them is/are otherwise interested;
- 97.2 may be an elected member, director or other officer of, employed by, a party to any contract with, or otherwise interested in, the Council, any Group Company, or in which any of them is/are interested; and
- 97.3 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor).
- 98 For the purposes of article 96:
- 98.1 a director shall be deemed to have disclosed the nature and extent of an interest which consists of him being an elected member, director, officer or employee of the Council or any Group Company; and
- 98.2 a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any contract in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such contract of the nature and extent so specified.
- 99 Where a director is an elected member, director, officer, directly elected mayor or employee of the Council or a Group Company; he:
- 99.1 may in exercising his independent judgment take into account the success of the Council or Group Company as well as the success of the Company; and
- 99.2 shall in the exercise of his duties have a duty of confidentiality to the Council or Group Company in relation to confidential information of that shareholder or Group Company, but he shall not be restricted by any duty of confidentiality to the Company from providing information to the Council or Group Company.

CONFLICTS OF INTEREST REQUIRING BOARD AUTHORISATION

- 100 The directors may authorise any matter which would otherwise involve a director (a Relevant Director) breaching his duty under section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (a Conflict).
- 101 Any director (including the Relevant Director) may propose that the Relevant Director be authorised in relation to any matter the subject of a Conflict. Such proposal and any authority given by the directors shall be effected in the same way that any other matter may be proposed to and decided upon by the directors under these articles save that the Relevant Director (and any director) shall not count towards the quorum nor vote on any resolution giving such authority.
- 102 Where the directors give authority in relation to a Conflict:

- 102.1 the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and
- 102.2 the directors may revoke or vary such authority at any time but this will not affect anything done by the Relevant Director prior to such revocation in accordance with the terms of such authority.
- 103 A Conflict in relation to a director arising solely as a result of him being an elected member, director, officer, directly elected mayor or employee of the Council or any Group Company of the Company shall be deemed to have been authorised for the purposes of article 100 and section 175 of the Act.
- 104 Where article 103 above applies or the directors otherwise gives authority in relation to a Conflict, or where any of the situations referred to in article 98 (a Permitted Situation) applies:
- 104.1 the directors may (whether at the relevant time or subsequently) (i) require that the Relevant Director is excluded from the receipt of information, the participation in discussion and/or the making of decisions (whether at directors meetings or otherwise) related to the Conflict or Permitted Situation; and (ii) impose upon the Relevant Director such other terms for the purpose of dealing with the Conflict as they may determine;
- 104.2 the Relevant Director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict or Permitted Situation; and
- 104.3 the directors may provide that where the Relevant Director obtains (otherwise than through his position as a director of the Company) information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence.
- 105 A director shall not, by reason of his office or of the fiduciary relationship thereby established, be liable to account to the Company or the shareholders for any remuneration, profit or other benefit realised by reason of his having any type of interest in a Conflict authorised under this article or in any Permitted Situation and no contract shall be liable to be avoided on the grounds of a director having any such interest.

EFFECT OF DIRECTORS' INTERESTS ON QUORUM AND VOTING

- 106 Subject where applicable to disclosure in accordance with these articles and subject to any terms imposed by the directors in relation to any Conflict or Permitted Situation, a director shall be entitled to vote in respect of any matter in which he is interested directly or indirectly (where that interest arises by virtue of a Conflict which has been authorised or a Permitted Situation) and if he shall do so his vote shall be counted and, whether or not he does, his presence at the meeting shall be taken into account in ascertaining whether a quorum is present.
- 107 However, a director shall not be entitled to vote in respect of any other matter in which he is interested directly or indirectly and his presence at the meeting shall not be taken into account in ascertaining whether a quorum is present.
- 108 Subject to article 109 below, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chair whose ruling in relation to any director other than the chair is to be final and conclusive.
- 109 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chair, the question is to be decided by a decision of the directors at that meeting, for which purpose the chair is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

PROCEEDINGS OF DIRECTORS

- 110 Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. Every

director shall receive notice of a meeting, whether or not he is absent from the United Kingdom. Notice of a board meeting is deemed to be duly given to a director if it is given to him personally or by word of mouth or by electronic means to an address given by him to the Company for that purpose or sent in writing to him at his last known address or other address given by him to the Company for that purpose. A director may waive the requirement that notice be given to him of a meeting of directors or a committee of directors, either prospectively or retrospectively.

- 111 Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chair shall have a second or casting vote. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
- 112 A director or his alternate director may participate in a meeting of directors or a committee of directors through the medium of conference telephone or similar form of communications equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the Act, all business transacted in this way by the directors or a committee of directors is for the purposes of the articles deemed to be validly and effectively transacted at a meeting of the directors or of a committee of directors although fewer than two directors or alternate directors are physically present at the same place. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chair of the meeting then is.
- 113 The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
- 114 The directors may appoint one of their number to be the chair of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chair of the meeting.
- 115 All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
- 116 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it has been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors, but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.
- 117 If and for so long as there is a sole director of the Company
- 117.1 he may exercise all the powers conferred on the directors by the articles by any means permitted by the articles or the Act,
- 117.2 for the purpose of article 112 the quorum for the transaction of business is one, and
- 117.3 all other provisions of the articles apply with any necessary modification (unless the provision expressly provides otherwise).

SECRETARY

- 118 Subject to the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit, and any secretary so appointed may be removed by the directors.

MINUTES

- 119 The directors shall cause minutes to be made in books kept for the purpose
- 119.1 of all appointments of officers made by the directors, and
- 119.2 of all proceedings of meetings of the Company, of the holders of any class of shares in the Company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

DIVIDENDS

- 120 Subject to the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.
- 121 Subject to the Act, the directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.
- 122 Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.
- 123 The directors may deduct from a dividend or other amounts payable to a person in respect of a share any amounts due from him to the Company on account of a call or otherwise in relation to a share.
- 124 A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to such distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.
- 125 Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, transfer to a bank or building society account specified by the distribution recipient either in writing or any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.
- 126 No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

ACCOUNTS

- 127 The Company shall provide the Council with access to (and/ or at the Council's election copies of) all records, books and documents of the Company, including access to its premises upon receipt of notice from the Council.

CAPITALISATION OF PROFITS

- 128 The directors may with the authority of an ordinary resolution of the Company
- 128.1 subject as provided in this article, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve,
- 128.2 appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this article, only be applied in paying up unissued shares to be allotted to members credited as fully paid,
- 128.3 resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares rank for dividend, so long as such shares remain partly paid, only to the extent that such partly paid shares rank for dividend,
- 128.4 make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this article in fractions, and
- 128.5 authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they may be entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

NOTICES AND COMMUNICATIONS

- 129 Save where these articles expressly require otherwise, any notice, document or information to be sent or supplied by the Company may be sent or supplied in accordance with the Act (whether authorised or required to be sent or supplied by the Act or otherwise) in hard copy form, in electronic form or by means of a website.
- 130 A notice, document or information sent by post and addressed to a member at his registered address or address for service in the United Kingdom is deemed to be given to or received by the intended recipient 24 hours after it was put in the post if pre-paid as first class post and 48 hours after it was put in the post if pre-paid as second class post, and in proving service it is sufficient to prove that the envelope containing the notice, document or information was properly addressed, pre-paid and posted.
- 131 A notice, document or information sent or supplied by electronic means to an address specified for the purpose by the member is deemed to have been given to or received by the intended recipient 24 hours after it was sent, and in proving service it is sufficient to prove that the communication was properly addressed and sent.
- 132 A notice, document or information sent or supplied by means of a website is deemed to have been given to or received by the intended recipient when (i) the material was first made available on the website or (ii) if later, when the recipient received (or, in accordance with this article 132, is deemed to have received) notification of the fact that the material was available on the website.

- 133 A notice, document or information not sent by post but left at a registered address or address for service in the United Kingdom is deemed to be given on the day it is left.
- 134 A notice, document or information served or delivered by the Company by any other means authorised in writing by the member concerned is deemed to be served when the Company has taken the action it has been authorised to take for that purpose.
- 135 A member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of the meeting, and, where requisite, of the purposes for which it was called.
- 136 Every person who becomes entitled to any share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been given to the person from whom he derives his title.
- 137 A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description, at the address, if any, supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

WINDING UP

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

INDEMNITY, DEFENCE COSTS AND INSURANCE

- 139 Subject to article 140, a director or former of the Company or a Group Company may be indemnified out of the company's assets against:
- 139.1 any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
- 139.2 any liability incurred by that director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act),
- 139.3 any other liability incurred by that director as an officer of the Company or a Group Company.
- 140 Article 139 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- 141 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any director or former of the Company or a Group Company in respect of any relevant loss.

REPORTING

- 142 All proceedings of any committee of the board shall be reported promptly to the board. The directors shall meet the reporting requirements as set out in the Company's Business Plan from time to time. The directors must ensure that the Company keeps a record, in writing, for at least ten years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

RESERVED MATTERS

- 143 Without prejudice to any other matter that expressly requires a shareholder resolution or approval under the Act or these articles, subject to these articles neither the Company nor the board shall pass any resolution or take any action in respect of the matters set out in this article unless the prior written approval of the shareholders by ordinary resolution has been obtained.
- 144 The matters that require prior member approval pursuant to this article are:
- 144.1 the approval, adoption and amendment of the Business Plan;
 - 144.2 the drawdown of further capital under any loan agreement made between the Company and its shareholders or third parties; and
 - 144.3 any appointment and/or removal of any director and/or any changes to the terms of such appointment, save where a director is appointed by the board pursuant to article 84 in which case approval shall be deemed to have been given if the members have not approved or rejected the appointment within 14 days of receipt of notice.

BUSINESS PLAN

- 145 Each year, commencing on 1 April the board shall prepare and submit a draft Business Plan for approval by the shareholders covering the next three years.
- 146 The content of each Business Plan shall, among other things, include relevant information under each of the following headings:
- 146.1 an annual operating revenue plan and capital expenditure requirements (including details of funding sources);
 - 146.2 a balance sheet forecast;
 - 146.3 a minimum 3 year term financial strategy plan to include (amongst other items) all proposed investments, borrowings and new business of that Company and a list of key risks of its business;
 - 146.4 a plan for the use of any surpluses made in each year including the making of any distribution of profit subject to the provisions of the Act;
 - 146.5 an annual profit and loss account; and
 - 146.6 such other content as the shareholders may require from time to time and notify to the Company in writing.
- 147 A Business Plan may be varied in-year with the approval of the shareholders (where applicable) pursuant to article 144.1.
- 148 The board shall be responsible for securing the shareholders' approval of any draft Business Plan and, once such approval is obtained, the same shall become the Business Plan.
- 149 If, prior to the start of the relevant year, the board has not secured the approval of the shareholders of the Business Plan, then, for so long as such approval has not been secured for such year, the Business Plan for the previous year shall continue to apply.
- 150 The board shall conduct the Company's business in accordance with the terms of the Business Plan.
- 151 The Company shall not enter into any transaction, agreement or contract unless it is in accordance with the Business Plan (but this does not necessarily mean that the relevant transaction, agreement or contract has to have been actually specified in the Business Plan).