



CARRERAS LIMITED

A proud Jamaican Company since 1962

# Addendum 1

2017 Annual Report



Strength in people  
brands & relationships



# About this Addendum

This document serves as an addendum to the 2017 Carreras Annual Report. It outlines the draft Articles of Incorporation, plus a comparative analysis of the existing Memorandum of Association and Articles of Association and the draft Articles of Incorporation for your convenience and review.



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Dear Shareholders,

Under the stewardship of the recently established Corporate Governance Committee, the Board undertook an exercise of reviewing its Memorandum of Association and Articles of Association, which have been operative since the company was incorporated in 1962.

The result of the abovementioned exercise was a recommendation that the Company adopt new Articles of Incorporation in order to ensure ongoing compliance with all applicable laws and regulations and to also align the Company's Articles with modern business practices and corporate governance best practices. This would ensure that the Company's Articles are modern in approach to the internal management of the Company and the relationship with and among its shareholders.

After numerous meetings of the Corporate Governance Committee and the Board, including workshops with the Company's independent professional advisors, the Board is pleased to present the attached draft Articles of Incorporation (to be read as a whole with Form 1A and its Schedules), with appended comparative analysis of the existing Memorandum of Association and Articles of Association and Schedule 1 of the draft Articles of Incorporation for your convenience and review.

If after review, you as a shareholder of the Company, deem it appropriate to adopt the new Articles of Incorporation, you may vote to do so when this matter is tabled for your consideration at the Company's Annual General Meeting convened for September 6<sup>th</sup>, 2017.

**Oliver Holmes**

*Chairman*

## Schedule 1

# ARTICLES OF INCORPORATION OF CARRERAS LIMITED

### Preliminary

1. The regulations in Table A in the First Schedule to the Companies Act shall not apply to the Company except in so far as they are repeated or contained in these Articles.
2. (1) In these Articles, if not inconsistent with the subject or context, the words standing in the first column of the following table shall bear the meanings set opposite them respectively in the second column thereof.

<b>Words</b>	<b>Meanings</b>
<b>The Act</b>	the Companies Act of Jamaica 2004 as amended from time to time
<b>the Statutes</b>	the Act, and every other act, regulation, order or law for the time being in force affecting the Company
<b>These Articles</b>	these Articles of Incorporation as originally framed or as from time to time altered or added to by Special Resolution.
<b>Electronic</b>	relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, photographic or similar capabilities including but not limited to technology utilised by facsimile machines, scanning devices, mail sent using computers or other similar automated or photographic devices.
<b>Electronic Format</b>	any disc, tape, sound track or other device in which printed words, sounds or other data are embodied so as to be capable (with or without the aid of some other equipment) of being reproduced therefrom including but not limited to compact discs
<b>Electronic Means</b>	any method of dispatch or communication of sounds, documents, maps, photography, graphs, plans or other data which involves the use of equipment or technology having electrical, digital, magnetic, wireless, optical, electromagnetic, photographic or similar capabilities including but not limited to facsimile machines, e-mail sent via computers and scanning devices
<b>Electronic Signature</b>	so much of anything in Electronic form incorporated into, contained in, attached to or logically associated with a document, which uniquely identifies and authenticates the maker, is used by him to indicate his adoption of the content of that document and is produced or transmitted by Electronic means. For the avoidance of doubt, for the purpose of these Articles, an Electronic Signature includes but is not limited to any signature produced by facsimile machine or scanning device
<b>Month</b>	a calendar month
<b>the office</b>	the registered office of the Company
<b>paid</b>	paid or credited as paid.
<b>the Register</b>	the Register of Members of the Company required to be kept by Section 109 of the Act
<b>the Rules of any Stock Exchange</b>	means the rules of the Jamaica Stock Exchange and any other recognized stock exchange on which the Company's shares or other securities are listed, and "Stock Exchange" shall be construed accordingly
<b>the Seal</b>	the Common Seal of the Company.

<b>the Secretary</b>	any person appointed to perform the duties of Secretary of the Company and shall include any assistant or deputy and any person appointed to perform the duties or any particular duty of Secretary temporarily
<b>in Writing</b>	handwritten, printed, lithographed, typewritten or in any other mode of representing or reproducing words in visible form
<b>the Company</b>	<b>CARRERAS LIMITED</b>

- (2) Save as aforesaid any words or expression defined in the Statutes shall bear the same meaning in these Articles.
- (3) Marginal notes and headings are inserted for convenience and shall not affect the construction of these Articles.
- (4) Words importing the singular number only also include the plural number and vice versa, words importing the masculine gender only also include the feminine gender, and words importing persons include corporations.
- (5) References to any of the Statutes (or to any specific provision thereof) shall be deemed to include a reference to any re-enactment thereof for the time being in force or any modification thereof having substantially the same legal effect.

### SHARES

3. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine, or failing any such determination, as the Directors may determine.
4. Subject to the provisions of sections 56 and 57 of the Act and to the Rules of any Stock Exchange, the Company may issue shares which by the terms of the issue will be redeemed or, at the option of the Company, are to be liable to be redeemed provided that where by such terms power is reserved to purchase for redemption any such share:
  - (a) purchases not made through any Stock Exchange or by tender shall be limited to a maximum price;
  - (b) if purchases are by tender, tenders shall be available to all shareholders alike.
5. Subject to the provisions of section 58 of the Act and to the Rules of any Stock Exchange, the Company may purchase or otherwise acquire shares issued by it.
6. Subject to section 59 of the Act and to the Rules of any Stock Exchange, the Company may purchase or otherwise acquire its own shares of any class:
  - (a) to settle or compromise a debt or claim asserted by or against the Company;
  - (b) eliminate fractional shares, or
  - (c) to fulfill the terms of a non-assignable agreement under which the Company has an option or is obliged to purchase shares owned by an officer or an employee of the Company.
7. Subject to the provisions of section 62 of the Act and to the Rules of any Stock Exchange, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they will be, or at the option of the Company are liable to be, redeemed on such terms and in

such manner as the Company before the issue of the shares may by special resolution determine. Provided that where by such terms, power is reserved to purchase for redemption any such share:

- (a) purchases not made through any Stock Exchange or by tender shall be limited to a maximum price;
  - (b) if purchases are by tender, tenders shall be available to all shareholders alike.
8. If at any time the share capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of the shares of the class. To every such separate General Meeting the provisions of these Articles relating to General Meetings shall apply, but so that the necessary quorum shall be three persons at the least holding or representing by proxy one-third of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those members who are present shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and, on a poll, shall have one vote for each share of the class of which he is the holder.
9. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
10. Subject to the provisions of these Articles relating to new shares, the shares shall be at the disposal of the Directors, and they may (subject to the provisions of the Statutes and the Rules of any Stock Exchange) allot, grant options over, or otherwise dispose of them to such persons, on such terms and conditions, and at such times as they think fit.
11. The Company may exercise the powers of paying commissions conferred by section 53 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section and the rate of the commission shall not exceed the rate of 10 per cent of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10 per cent of such price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
12.
  - (1) Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided or under an order of a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
  - (2) The Directors may in their absolute discretion, serve a notice in writing on a member requiring him to make a voluntary statutory declaration within fourteen days of the receipt of the notice as regards the following:
    - (a) Whether he beneficially holds all the shares in the capital of the Company entered in the register of members in his name;

- (b) Whether, in case the member does not beneficially own all or some of the shares, the identity of the person who holds the beneficial interest in the said shares;
  - (c) Where his interest is a past interest to give (so far as lies within his knowledge) particulars of the identity of the person who held that interest immediately upon his ceasing to hold it;
  - (d) Whether the member is an affiliate or associate of any other member or beneficial owner of shares in the capital of the Company;
  - (e) Such other information or other facts that may be relevant.
- (3) The Directors may also by such notice require any person seeking to have a share issued or a transfer of a share registered in his name to make a declaration as regards the matters mentioned in Article 12 (2).
- (4) Where a member or a person mentioned in Articles 12 (2) and 12 (3) fails to make a declaration as required, until the requirements of the notice shall have been complied with to the satisfaction of the Directors:
- (a) no voting rights shall be exercisable in respect of the relevant shares; and
  - (b) the Directors may withhold payment of any dividend or other moneys payable in respect of the relevant shares.
- (5) The Directors shall cause to be entered against the name of the registered holder of the shares the following:
- (a) the fact that a notice was served on a member or a person pursuant to Articles 12 (2) or (3) and the date on which the notice was served;
  - (b) any information provided pursuant to the notice and the date provided; and
  - (c) any other relevant information.
- (6) Without prejudice to the foregoing, if required by law, the Directors shall also cause the Company to make such enquiries of its members as to the beneficial ownership of their shares or other securities issued by the Company as may be required by law.
- (7) A member who holds shares or other securities issued by the Company and who is not the sole beneficial owner of such shares or other securities shall comply with such duty of disclosure to the Company in respect of or in connection with the beneficial ownership thereof as may be imposed by law on him.
13. Pursuant to the provisions of section 196 and the Fourteenth Schedule of the Act, each Director shall notify the Company in writing of the number, description, class and amount of any shares or debentures in the Company or its subsidiaries or holding Company or a subsidiary of the Company's holding company which are held by or in trust for him or of any shares or debentures in respect of which he has any right to become the holder by virtue of any contract or assignment or over which he has a right to an option to become the holder thereof and the Company shall pursuant to section 197 of the Act keep a register of information so provided.

## CERTIFICATES

14. (1) Every person shall be entitled
- (a) without payment, to one certificate for all his shares of each class and, when part only of the shares comprised in a certificate is sold or transferred, to a new certificate for the remainder of the shares so comprised, or

- (b) upon payment of such sum, being a reasonable sum which the Directors shall from time to time determine, to several certificates, each for one or more of his shares of any class.
- (2) Subject to the Rules of any Stock Exchange, every certificate shall be issued within thirty days after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide), shall be under the Seal, shall bear the autographic signatures of one Director and the Secretary (which may be reproduced by Electronic means for the purpose unless the Directors resolve otherwise) and shall specify the shares to which it relates and the amount paid up thereon, and the distinguishing numbers (if any). In the case of shares deposited by a member in a licensed central securities depository and thereafter transferred, evidence as to the transferee's title to such shares shall be provided in accordance with the Rules of any Stock Exchange. Provided that the Company shall not be bound to register more than four persons as the joint holders of any share (except in the case of executors or trustees of a deceased member) and in respect of a share held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
15. If a share certificate be defaced, lost or destroyed, it may be renewed on payment of such reasonable sum as the Directors may prescribe provided that such fee shall not exceed that permitted by the Rules of any Stock Exchange and on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company of investigating evidence as the Directors think fit.

#### FINANCIAL ASSISTANCE

16. Subject to the provisions of the Act, the Company may give financial assistance to any person by means of a loan, guarantee or otherwise:
- (a) in the ordinary course of business, if the lending of money is part of the ordinary business of the Company;
  - (b) on account of expenditure incurred or to be incurred on behalf of the Company;
  - (c) to a holding body corporate if the Company is a wholly owned subsidiary of the holding body corporate;
  - (d) to any of the Company's subsidiaries; or
  - (e) to employees of the Company to enable them to purchase shares in an employee share ownership plan approved under the Employee Share Ownership Plan Act.

#### LIEN

17. The Company shall have a first and paramount lien on every share (not being a fully paid share) registered in the name of a member (whether solely or jointly with others) for all moneys (whether presently payable or not) due by him or his estate, either alone or jointly with any other person, to the Company; but 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, if any, on a share shall extend to all dividends payable thereon and bonuses which may be declared in respect of such shares, provided always that if the Company shall register a transfer of any shares upon which it has a lien as aforesaid without giving to the transferee notice of its claim the said shares shall be freed and discharged from the lien of the Company.
18. The Directors may sell on behalf of the Company, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of

which the lien exists is presently payable, nor until the expiration of fourteen days after notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.

19. To give effect to any such sale the Directors may authorise some person to transfer the share(s) sold to the purchaser thereof. The purchaser shall be registered as the holder of the share(s) comprised in any such transfer, and he 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 or invalidity in the proceedings in reference to the sale.
20. The net proceeds of any such sale shall be received by the Company and applied first in the payment of all costs of such sale, and next in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of sale.

### CALLS ON SHARES

21. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares and not by the conditions of allotment thereof made payable at fixed times. Each member shall (subject to receiving at least fourteen days notice specifying the time or times and place of payment) pay the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.
22. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing the call was passed and may be required to be paid by installments.
23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
24. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate as the Directors may determine but not exceeding a maximum rate to be fixed by the Directors, and if such maximum rate is not so fixed, the maximum rate shall be 10 per cent per annum, but the Directors shall be at liberty to waive payment of such interest wholly or in part.
25. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, shall for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
26. The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.
27. The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any share held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become payable) pay interest at such rate not exceeding (unless the Company in General Meeting shall otherwise direct) 6 per cent per annum, as may be agreed upon between the Directors and the member paying such sum in advance. No such sum paid in advance of calls shall entitle the member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

28. No member shall be entitled to receive any dividend or to be present or to vote on any question either personally or by proxy, at any General Meeting or upon a poll, or to be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares held by him, whether alone or jointly with any other person.

### TRANSFER OF SHARES

29. The instrument of transfer of any share shall be executed by or on behalf of the transferor, and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
30. (1) Subject to such of the restrictions of these Articles as may be applicable, any member may transfer all or any of his shares by instrument in writing in any usual or common form or any other form which the Directors may approve.
- (2) The Directors may (and shall, if required by the Rules of any Stock Exchange) subject to such proper safeguards as they shall determine, authorize the Secretary or transfer agent of the Company to certify any instrument of transfer of shares in or debentures of the Company against certificates lodged.
31. The Directors may decline to register the transfer of a share (not being a fully paid share) and they may decline to register the transfer of a share on which the Company has a lien.
32. The Directors may also decline to recognize any instrument of transfer unless:-
- (a) The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and
- (b) The instrument of transfer is in respect of only one class of share.
33. If the Directors refuse to register a transfer in accordance with these Articles they shall within three months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
34. The registration of transfers may be suspended and the Register closed at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year.
35. Unless prohibited by the Rules of any Stock Exchange, the Company shall be entitled to charge a fee to be determined by the Directors on the registration of a transfer or of any probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument affecting the title to any share or other security issued by the Company.

### TRANSMISSION OF SHARES

36. In case of the death of a member the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
37. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered

himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy, as the case may be.

38. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.
39. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

#### FORFEITURE OF SHARES

40. If a member fails to pay any call or installment on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
41. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.
42. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect.
43. When any share shall have been so forfeited, notice of the forfeiture shall be given to the holder of the share, or the person entitled to the share by transmission, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be invalidated by any failure to give such notice or make such entry as aforesaid.
44. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.
45. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture were presently payable by him to the Company in respect of the shares, together with interest thereon at such rate as the Directors may think fit but not exceeding a maximum rate to be fixed by the Directors, and if such maximum rate is not so fixed, the maximum rate shall be 10 per cent per annum, from the date of the forfeiture until

payment, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.

46. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, or alternatively, an entry in the Minute Book of the Company of the forfeiture of any shares or that shares have been sold to satisfy a lien of the Company, shall be sufficient and conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale re-allotment or other disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold re-allotted or otherwise disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share. The remedy of the former holder of such shares and of any person claiming under or through him shall be against the Company and in damages only. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, as if the same had been payable by virtue of a call duly made and notified.

#### CONVERSION OF SHARES INTO STOCK

47. The Company may by ordinary resolution convert any paid-up shares into stock, and reconvert any stock into paid-up shares.
48. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the Directors may from time to time fix the minimum amount of stock transferable provided that such minimum shall not exceed the amount of shares from which the stock arose.
49. The stock shall confer on the holders thereof respectively the same privileges and advantages, as regards participation in profits and voting at meetings of the Company, and for other purposes, as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages, except the participation in profits of the Company, or in assets of the Company on a winding up, shall be conferred by any such aliquot part of stock, as would not, if existing in shares, have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special privilege attached to the shares so converted. Save as aforesaid, all provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares.
50. Such of the Articles of the Company as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

#### INCREASE OF CAPITAL

51. The Company may from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe or may from time to time increase the maximum number of shares that the Company is authorized to issue.
52. Subject to the other provisions of these Articles the shares shall be at the disposal of the Board, which may allot or otherwise dispose of them to such persons (including any Directors), at such times and for such consideration and upon such terms and conditions as the Directors may determine.

53. Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital, and shall be subject to the provisions herein contained with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien, surrender, and otherwise. Unless otherwise provided in accordance with these Articles, the new shares shall be ordinary shares.

### ALTERATION OF CAPITAL

54. (1) The Company may from time to time by ordinary resolution:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares, or
  - (b) subdivide its shares, or any of them, into shares of smaller amount subject nevertheless to the provisions of section 65 (1) (d) of the Act and so that the resolution whereby any shares are subdivided may determine that as between the resulting shares one or more of such shares may be given any preference or advantage as regards dividend, capital, voting or otherwise over the others or any other of such shares, or be subject to any such restrictions as compared to the others or any other of such shares as the Company has power to attach to unissued or new shares.
  - (c) cancel any 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 stated capital account by the amount of the shares so cancelled.
- (2) Upon any consolidation of fully paid shares into shares of larger amount the Directors may settle any difficulty which may arise with regard thereto and in particular may as between the holders of shares so consolidated determine which shares are consolidated into each consolidated share and in the case of any shares registered in the name of one holder (or joint holders) being consolidated with shares registered in the name of another holder (or joint holders) may make such arrangements for the allocation, acceptance or sale of the consolidated share and for the distribution of any moneys received in respect thereof as may be thought fit and for the purpose of giving effect thereto may appoint some person to transfer the consolidated share or any fractions thereof to the appropriate person and to receive the purchase price thereof and any transfer executed in pursuance thereof shall be effective and after such transfer has been registered no person shall be entitled to question its validity.
55. Subject to the provisions of section 70 of the Act, the Company may purchase its own shares out of profits available for distribution or out of a fresh issue of shares for the purpose of an employee share ownership plan approved under the Employee Share Ownership Plan Act.
56. Subject to section 71 of the Act, the Company may by special resolution reduce its stated capital or its capital redemption reserve account in any manner authorized by law.

### GENERAL MEETINGS

57. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. Provided that so long as the Company holds its first Annual General Meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The Annual General Meeting shall be held at such time and place as the Directors shall appoint.
58. All General Meetings other than the Annual General Meeting shall be called Extraordinary General Meetings.

59. The Directors may, whenever they think fit, convene an Extraordinary General Meeting. An Extraordinary General Meeting shall also be convened on such requisition, or, in default, may be convened by such requisitionists as provided by section 128 of the Act in the manner set out therein. If at any time there are not in Jamaica sufficient Directors capable of acting to form a quorum, any Director or any two members of the Company may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

#### NOTICE OF GENERAL MEETINGS

60. An Annual General Meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days' notice in Writing at the least, and a meeting of the Company other than an Annual General Meeting or a meeting for the passing of a special resolution shall be called by fourteen days' notice in Writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of the meeting and, in case of special business, the general nature of that business, and shall be given in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in General Meeting, to such persons as are, under the regulations of the Company, entitled to receive such notices from the Company. Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed:-
- (a) in the case of a meeting called as the Annual General Meeting, by all the members entitled to attend and vote thereat; and
  - (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.
61. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

62. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of:
- (a) declaring a dividend;
  - (b) the consideration of the accounts, balance sheets, and the reports of the Directors and auditors;
  - (c) the election of Directors in the place of those retiring; and,
  - (d) the appointment of, and the fixing of the remuneration of, the auditors.
63. No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, three members present in person shall be a quorum.
64. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

65. The chairman, if any, of the board of Directors shall preside as chairman at every General Meeting of the Company, or if there is no such chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act the Directors present shall elect one of their number to be chairman of the meeting.
66. If at any meeting no Director is willing to act as chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be chairman of the meeting.
67. The chairman may, with the consent of any 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 any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for fourteen days or more, seven clear days' notice at the least of the adjourned meeting shall be given specifying the place and the time of the meeting as in the case of an original meeting, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
68. At a General Meeting a resolution put to the vote of the meeting shall be decided on show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:-
  - (a) by the chairman; or
  - (b) by at least three members present in person or by proxy and entitled to vote; or
  - (c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - (d) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; or
  - (e) any other member or members upon whom a right to demand a poll is conferred in accordance with the provisions of section 132 (1) of the Act.

A demand for a poll may be withdrawn. Unless a poll be so demanded (and the demand be not withdrawn) a declaration by the chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

69. Except as provided in Article 71, if a poll is duly demanded (and the demand be not withdrawn) it shall be taken in such manner and at such time (within fourteen days) and place as the chairman of the meeting directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
70. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
71. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of

the meeting directs (but within fourteen days of such demand), and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

### VOTES OF MEMBERS

72. (a) Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote, and on a poll every member shall have one vote for each share of which he is the holder. On a poll votes may be given either personally or by proxy.
- (b) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of the shares in the Company have been paid.
- (c) Subject to the provision of the Act, and provided that this article shall not apply while the Company's shares are listed on a stock exchange, a resolution in writing signed by all the members for the time being entitled to receive notice and to attend and vote at general meetings (or being corporations by their duly authorized representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. Any such resolution in writing may consist of several documents in like form each signed by one or more of such members. For the purpose of this Article signed shall be construed to include Electronic Signature.
73. On a poll taken at a meeting of the Company or a meeting of any class of members of the Company, a member entitled to more than one vote need not, if he votes, use all of his votes or cast all the votes he uses in the same way.
74. 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 for this purpose seniority shall be determined by the order in which the names stand in the register of members.
75. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, or curator bonis or other person may on a poll vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the registered office of the Company (or such other place designated for the deposit of instruments appointing a proxy as is specified in the notice convening the meeting at which such person proposes to vote) not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting or for the taking of the poll at which it is desired to vote.
76. 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 or may be given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.
77. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing, or, if the appointer is a corporation, either under seal, or under the hand of an officer or attorney duly authorized. A proxy need not be a member of the Company. Every notice convening a meeting of the Company shall state that a member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a member of the Company.
78. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy, of that power or authority shall be deposited

at the registered office of the Company or at such other place within the Island as is specified for that purpose in the notice convening the meeting, not less than forty-eight hours before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or in the case of a poll not less than twenty-four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered in relation to any subsequent meetings to which it relates.

79. An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit: -

**CARRERAS LIMITED**

"I/We, \_\_\_\_\_ of \_\_\_\_\_, in the parish of \_\_\_\_\_, being a member/members of the above named Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or \_\_\_\_\_ failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the (Annual or Extraordinary, as the case may be) General Meeting of the Company to be held on the \_\_\_\_\_ day of 20\_\_\_\_, and any adjournment thereof.  
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

80. If and while the securities of the Company are listed on a Stock Exchange, in order to afford members an opportunity of directing a proxy to vote for or against a resolution, the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit: -

**CARRERAS LIMITED**

"I./We, \_\_\_\_\_ of \_\_\_\_\_, in the parish of \_\_\_\_\_, being a member/members of the above-named Company hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or \_\_\_\_\_ failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the (Annual or Extraordinary, as the case may be) General Meeting of the Company to be held on the day of 20\_\_\_\_, and at any adjournment thereof.  
Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_  
This form is to be used \*in favour of / against the resolution.  
Unless otherwise instructed, the proxy will vote as he thinks fit.

\*Strike out whichever is not desired.

81. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

82. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

83. Any corporation which is a member of the Company may by resolution of its Directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

### DIRECTORS

84. Unless otherwise determined by the Company in General Meeting in accordance with Article 106, but subject to the Act, the number of Directors shall not be less than three (3). The number of Directors shall not exceed such number as is determined by the Company in General Meeting from time to time and in the absence of such determination, it shall not exceed nine.
85. 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. The Directors may also be paid all traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committees of the Directors or General Meetings of the Company or in connection with the business of the Company.
86. Any Director who serves on any committee or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Directors may determine.
87. The share qualification for a Director may be fixed by the Company in General Meeting, and unless and until so fixed no qualification shall be required.
88. Subject to the Act, a Director of the Company may be or become a director or other officer of, or otherwise interested in, any body corporate promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other body corporate unless the Company otherwise directs. The Directors may exercise the voting power conferred by the shares in any such other body corporate held or owned by the Company or exercisable by them as directors of such other body corporate, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them Directors or other officers of such body corporate), and any Director may vote in favour of the exercise of such voting rights in the manner aforesaid, notwithstanding that he may be or about to be, appointed a director or other officer of such body corporate, and as such is or may become interested in the exercise of such voting rights in the manner aforesaid.

### BORROWING POWERS

89. The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party upon such terms and conditions

and in such manner and for such consideration as they shall consider to be for the benefit of the Company. The Company may upon the issue of any debentures, debenture stock or other securities confer upon the creditors of the Company holding the same or any trustees or other persons acting on their behalf, a voice in the management of the Company, whether by giving them the right of attending and voting at general meetings or by empowering them to appoint one or more persons to be Directors of the Company or otherwise as may be agreed.

### POWERS OF DIRECTORS

90. The business of the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the Company in General Meeting, subject, nevertheless, to any regulations of these Articles, to the provisions of the Act and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting; but no regulations made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
91. The Directors may from time to time provide for the management and transaction of the affairs of the Company in any specified locality whether at home or abroad, in such manner as they think fit; and the provisions of the three next following Articles shall be without prejudice to the general powers conferred by this Article.
92. The Directors from time to time and at any time may, establish any local boards or agencies for managing any of the affairs of the Company in such specified locality, and may appoint any persons to be members of such local board, or any managers or agents, and may fix their remuneration. The Directors from time to time, and at any time, may delegate to any person so appointed any of the powers, authorities, and discretion for the time being vested in the Directors, other than the power of making calls with power to sub-delegate, and may authorize the members for the time being of any such local board, or any of them, to fill up any vacancies therein, and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit, and the Directors may at any time remove any person so appointed, and may annul or vary any such delegation.
93. The Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorize any such attorney to delegate all or any of the powers, authorities and discretions vested in him.
94. The Company may exercise the powers conferred by section 32 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.
95. The Company may exercise the powers conferred upon the Company by sections 118 and 119 of the Act with regard to the keeping of a branch register and the Directors may (subject to the provisions of those sections) make and vary such regulation as they may think fit respecting the keeping of any such registers.
96. (1) A Director or officer of the Company who is, in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company in the circumstances described in section 193 (1) of the Act shall disclose the nature and extent of his interest in

accordance with the provisions of section 193 of the Act and a record shall be kept of such interest at the registered office of the Company.

- (2) Such a contract or proposed contract mentioned above must be subject to the Board's approval in accordance with section 193 (2) of the Act and the Director concerned shall not be present during any proceeding of the Board in connection with the approval but neither of these prohibitions shall apply to:-
- (a) any arrangement for giving any Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
  - (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or
  - (c) any contract by a Director to subscribe for or underwrite shares or debentures of the Company; or
  - (d) any contract or arrangement with any other company in which he is interested only as an officer of the Company or as holder of shares or other securities;
  - (e) any act or thing done under Article 97,

and these prohibitions may at any time be suspended or released to any extent, and either generally or in respect of any particular contract, arrangement or transaction, by the Company in General Meeting.

- (3) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.
- (4) A Director, notwithstanding his interest, may if permitted by the Act, be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof.
- (5) Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorize a Director or his firm to act as auditor of the Company.
- (6) Each Director shall comply with the provisions of section 192 of the Act as regards the obligation to give notice to the Company in respect of the matters set out therein and in the manner specified therein.
- (7) Notwithstanding the foregoing, where circumstances exist in relation to a Director which, whether directly or indirectly, constitute or may constitute a conflict of interest between

such Director and the interests of the Company, the Director shall act in accordance with the provisions of applicable law and in accordance with such policy as determined by the Board of Directors from time to time, to the extent that such policy is not contrary to applicable law, provided that the remaining Directors, if permitted by law, may give their approval to the matters giving rise to such circumstances existing in relation to such Director in the same manner as set out in the preceding sub-paragraphs of this Article.

97. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, indorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.
98. The Directors shall cause minutes to be made in books provided for the purpose:-
- (a) of all appointments of officers made by the Directors;
  - (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
  - (c) of all resolutions and proceedings at all meetings of the Company, and of the Directors, and of committees of Directors;

and any such minute of such a meeting if purporting to be signed by the chairman thereof, or by the chairman of the next succeeding meeting of the same body, shall be sufficient evidence without any further proof of facts therein stated. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts.

99. The Directors may establish or arrange any contributory or non-contributory pension or superannuation scheme for the benefit of, or pay a gratuity pension or emolument to any person who is or has been employed by or in the service of the Company, or any subsidiary of the Company, or of its holding company or to any person who is, or has been, a Director or other officer of the Company or any such subsidiary, or a subsidiary of its holding company and the widow, family or dependents of any such person. The Directors may also make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or emolument. Provided that any Director shall be entitled to retain any benefit received by him hereunder, subject only, where the Act requires, to proper disclosure to the members and the approval of the Company in General Meeting.
100. The office of Director shall be vacated, if the Director:-
- (a) ceases to be a Director by virtue of section 177 of the Act, or
  - (b) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - (c) becomes prohibited from being a Director by reason of any order made under sections 180 and 182 of the Act; or
  - (d) becomes of unsound mind and/or of such infirm health as to be incapable of managing his affairs; or
  - (e) resigns his office by notice in writing to the Company;

- (f) absents himself from the meetings of the Directors for a continuous period of six months without special leave of absence from the Directors, and they resolve that his office be vacated; or
- (g) is removed from office by an ordinary resolution duly passed pursuant to section 179 of the Act; or
- (h) attains the age of seventy-two years provided that, the Directors may in their absolute discretion invite a former Director or a Director who has or will attain the age of seventy-two years to be or continue as a Director for a specified period, subject to retirement or re-election as otherwise provided for in these Articles

but any act done in good faith by a Director whose office is vacated as aforesaid shall be valid unless, prior to the doing of such act, written notice shall have been served upon the Company or an entry shall have been made in the Directors' Minute Book stating that such Director has ceased to be a Director of the Company.

### ROTATION OF DIRECTORS

101. (1) At each Annual General Meeting of the Company one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not greater than one-third) shall retire from office, provided that a Director appointed to the office of Managing Director shall not while holding that office be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year. A Director retiring at a meeting shall retain office until the close or adjournment of the meeting.
- (2) The Directors to retire in every year pursuant to the preceding Article shall include so far as necessary any Director who by reason of age is due to retire at that meeting and any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
102. Subject to Article 100 (h), no person shall be elected, re-elected, appointed or re-appointed a Director if at the time of his proposed election, re-election, appointment or re-appointment he has attained the age of seventy-two years.
103. A retiring Director shall be eligible for re-election.
104. The Company at the meeting at which a retiring Director retires in manner aforesaid may fill the vacated office by electing thereto the retiring Director or some other eligible person, and in default the retiring Director shall, if eligible, and if offering himself for re-election be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the meeting and lost.
105. No person other than a retiring Director shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any General Meeting unless not less than seven nor more than fourteen days before the date appointed for the meeting (or such other period as may be prescribed by the Rules of any Stock Exchange) there shall have been left at the registered office of the Company notice in writing, signed by a member duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by the proposed person of his willingness to be elected.

106. The Company may from time to time by ordinary resolution increase or reduce the number of Directors and may also determine in what rotation the increased or reduced number is to go out of office.
107. The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the maximum number fixed in accordance with these regulations. Any Director so appointed shall hold office only until the next following Annual General Meeting, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.
108. The Company may by ordinary resolution of which special notice has been given in accordance with section 179 of the Act, remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.
109. The Company may by ordinary resolution appoint another person in place of a Director removed from office under the immediate preceding Article and without prejudice to the powers of the Directors under Article 107 the Company in General Meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director. A person appointed in place of a Director so removed or to fill such a vacancy 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 as a Director.

### PROCEEDINGS OF DIRECTORS

110. The Directors may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. A Director may, and the Secretary on a requisition of a director shall, at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from Jamaica.
111. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed shall be one-third of the number of directors and shall include at least one of the directors designated by the Board as independent directors. For the purposes of this Article, an alternate appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present.
112. The continuing Directors or sole continuing Director may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting of the Company, but for no other purpose.
113. Any Director may, by writing under his hand, appoint any person who is approved by the majority of the Directors, to be his alternate to act in his place at any meeting of the Directors at which he is unable to be present. Every such alternate shall (subject to his giving to the Company an address in Jamaica at which notices may be served upon him) be entitled to notice of meetings of the Directors and to attend and vote thereat as a Director when the person appointing him is not personally present and generally to perform all the functions of his appointer as a Director in the absence of such appointer and where he is a Director to have separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him.

An alternate Director shall *ipso facto* cease to be an Alternate Director (i) on the happening of any event, which if he were a Director, would have resulted in his having vacated such office by operation of Article 100, or (ii) if his appointer ceases for any reason to be a Director. Every such alternate shall be an officer of the Company and shall not be deemed to be the agent of the Director appointing him. The remuneration of such an alternate shall be payable out of the remuneration payable to the Director appointing him, and the proportion thereof shall be agreed between them. An alternate need not hold any share qualification.

114. The Directors may elect a chairman and deputy chairman and determine the period for which each is to hold office; but if no such chairman or deputy chairman is elected, or if at any meeting neither the chairman nor the deputy chairman is present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
115. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors. Save as aforesaid the meetings and proceedings of a committee consisting more than one member shall be governed by the provisions of these Articles regulating the proceedings and meetings of the Directors.
116. All acts done at any meeting of the Directors or of a committee of Directors or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment or continuance in office of any such Directors or person acting as aforesaid, or that they or any of them were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a Director, and had been entitled to be a Director.
117. (1) A resolution in writing, signed by all the Directors for the time being entitled to receive notice of a meeting including any alternate Director if entitled shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. Any such resolution may consist of several documents in like form each signed by one or more of such Directors but a resolution signed by an alternate Director need not also be signed by his appointer, 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.
  - (2) For the purpose of Article 117 (1) the word "signed" shall be construed to include an Electronic Signature.
118. (1) A Director may if all the directors of the Company consent, participate in a meeting of Directors of the Company or of a committee of the Directors for the purpose of the dispatch of its business by means of such telephone or other electronic communication facilities as to permit all persons participating in the meeting to hear each other;
  - (2) A Director who participates in such a meeting by such means as are described above is for the purpose of these Articles and under the Act deemed present at the meeting and shall be counted to constitute a quorum;
  - (3) For the purpose of this Article, the laws of Jamaica shall apply to such meeting and the meeting wheresoever held is deemed to take place in Jamaica;
  - (4) Such electronic meetings as are regulated by this Article shall be otherwise regulated by Articles 110 to 117.

### MANAGING DIRECTOR

119. The Directors may from time to time appoint one or more of their body to the office of Managing Director for such period and on such terms as they think fit, and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment. A Director so appointed shall not, whilst holding that office, be subject to retirement at the Annual General Meeting of the Company in accordance with Article 101 but his appointment shall be automatically determined if he ceases from any cause to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.
120. A Managing Director shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine and it may be made a term of his appointment that he be paid a pension or gratuity on retirement from office.
121. The Directors may entrust to and confer upon a Managing Director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any such powers.

### SECRETARY

122. The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit to perform the duties of the Secretary of the Company and if the office is vacant or if there is no secretary, to appoint an assistant or deputy so capable of acting, and any secretary so appointed may be removed by them.
123. The Directors may appoint a temporary substitute for the secretary, who shall, for the purposes of these presents, be deemed to be the Secretary.

### THE SEAL

124. The Directors shall provide for the safe custody of the seal, which shall only be used by the authority of the Directors or of a committee of the Directors authorized by the Directors in that behalf and every instrument to which the seal shall be affixed shall be signed by a Director and shall be countersigned by the secretary or by a second Director or by some other person appointed by the Directors for the purpose.

### DIVIDENDS AND RESERVE

125. Subject and pursuant to section 158 of the Act the Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.
126. The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company.
127. No dividend shall be paid otherwise than out of profits.
128. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.
129. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on

the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid 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 such share shall rank for dividend accordingly.

130. The Directors may deduct from any dividend payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
131. The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
132. The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.
133. With the sanction of a General Meeting any dividend may be paid wholly or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other Company or in any one or more of such ways. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.
134. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses or other moneys payable in respect of the shares held by them as joint holders. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. In addition to the foregoing, dividends, interest or other moneys payable in cash in respect of shares may be paid by way of electronic funds transfer to the account designated by the holder, or in the case of joint holders, by the joint holder who is first named on the register.
135. No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.
136. All dividends unclaimed for one year after having been declared, may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of twelve years after having been declared shall be forfeited and shall revert to the Company and may be invested or otherwise made use of by the Directors for the benefit of the Company.

### ACCOUNTS

137. The Directors shall cause proper books of account to be kept with respect to:
  - (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;

- (b) all sales and purchases of goods by the Company; and
- (c) the assets and liabilities of the Company.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

138. The books of account shall be kept at the office or, subject to section 144 of the Act, at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
139. The Directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorized by the Directors or by the Company in General Meeting, and no member, not being a Director, shall be entitled to require or receive any information concerning the business, trading or customers of the Company, or any trade secret or secret process of or used by the Company.
140. The Directors shall from time to time, in accordance with section 145 and 147 of the Act, cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred in those sections.
141. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in General Meeting, together with a copy of the auditor's report, shall not less than twenty one days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every person registered under Article 38. Provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures. The Company shall also comply with the Rules of any Stock Exchange in respect of the preparation and distribution of an annual report containing such information in such format as may be required thereby.

### CAPITALIZATION OF PROFITS

142. The Company in General Meeting may upon the recommendation of the Directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and required for payment or provision of the fixed dividend on any shares entitled to fixed preferential dividends, and accordingly that such sums be set free for distribution amongst members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or towards paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid or partly in the one way and partly in the other, and the Directors shall give effect to such resolution. Provided that a stated capital account and a capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
143. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such

provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorize any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

### DISTRIBUTION OF CAPITAL ASSETS

144. The Company in General Meeting may at any time and from time to time resolve that any surplus moneys in the hands of the Company representing capital profits arising from the receipt of moneys received or recovered in respect of or arising from the realization of any capital assets of the Company or any investment representing the same and not required for the payment or provision of any fixed preferential dividend instead of being applied in the purchase of other capital assets or for other capital purposes be distributed amongst the ordinary shareholders on the footing that they receive the same as capital and in the shares and proportions in which they would have been entitled to receive the same if it had been distributed by way of dividend provided always that no such profit as aforesaid shall be so distributed unless there shall remain in the hands of the Company a sufficiency of other assets to answer in full the whole of the liabilities and paid-up share capital of the Company for the time being.

### AUDIT

145. Auditors shall be appointed and their duties regulated in accordance with the provisions of sections 154 to 157 inclusive of the Act.

### NOTICES

146. (1) Any notice to be given or a document required to be sent by the Company to any member may be :
- (a) sent to him personally in Writing or Electronic Format;
  - (b) sent by post to him or to his registered address or (if he has no registered address within Jamaica) to the address if any, within Jamaica supplied by him to the Company for the giving of notice to him in Writing or Electronic Format; or
  - (c) sent to him by Electronic Means

PROVIDED HOWEVER that where such notice or document is specifically required by law or these Articles to be sent in Writing the Company will obtain the member's written consent prior to sending it to him in Electronic Format or by Electronic Means.

- (2) Where a notice or document is sent by post, service of the notice or document shall be deemed to be effected by properly addressing, prepaying, and posting the notice or document and to have been effected, in the case of a notice of a meeting, at the expiration of twenty-four (24) hours after the letter containing the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of post.
- (3) Where a notice or document is sent by Electronic Means, service of the notice or document shall be deemed to be effected by properly dispatching the notice or document to the email address or facsimile number provided by the member, and is

deemed to have been received by the intended recipient at the expiration of twenty-four (24) hours after the notice or document is so dispatched by the Company.

- (4) In these Articles, unless otherwise specified, where a given number of days notice or notice extending over any other period is required to be given, the day of service (including for this purpose the day on which service is deemed to have been effected) shall be counted in such number of days or other period.
147. A notice or document may be given by the Company to the joint holders of a share by giving the notice or document to the joint holder first named in the register of members in respect of the share.
148. Any notice or document sent by post to, or left at the registered address of, any member, or sent by Electronic Means to any member in pursuance of these Articles, shall, notwithstanding such member be then deceased or bankrupt and whether or not the Company have notice of his death or bankruptcy, be deemed to have been duly served in respect of any shares, whether be held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint holder thereof. Such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in any such share.
149. Notice of every General Meeting shall be given in any manner hereinbefore authorised to: -
- (a) every member except those members who (having no registered address within Jamaica) have not supplied to the Company an address within Jamaica for the giving of notices to them;
  - (b) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a member where the member, but for his death or bankruptcy, would be entitled to receive notice of the meeting; and
  - (c) the auditor for the time being of the Company.

No other person shall be entitled to receive notices of General Meetings.

#### WINDING UP

150. If the Company shall be wound up, the Trustee (as defined in the Insolvency Act) may, with the sanction of an Extraordinary Resolution of the Company and any other sanction required by the Act, divide amongst the members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The Trustee 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 or any of them as the Trustee, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### INDEMNITY

151. Subject to provisions of section 201 of the Act, the Company may indemnify:
- (a) a Director or officer of the Company or any person employed by the Company as an auditor;
  - (b) a former Director, officer or auditor of the Company; or

- (c) a person who acts or has acted at the Company's request as a director or officer of a body corporate of which the Company is or was a shareholder or creditor, and his legal representatives, against all costs, charges and expenses (including an amount paid to settle an action or satisfy a judgment) reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being, or having been, a director or officer of the Company or body corporate, or any person employed by the Company or body corporate as an auditor PROVIDED THAT the Director or officer to be so indemnified:-
- (i) acted honestly and in good faith with a view to the best interests of the Company; and
  - (ii) in the case of a criminal or administrative or proceeding that is enforced by a monetary penalty had reasonable grounds for believing that this conduct was lawful.
152. Subject to section 204 of the Act the Company may purchase and maintain insurance for the benefit of the persons mentioned in Article 151 against liability incurred by these persons in their capacity as director, officer or auditor of the Company other than liability for fraud.

## Comparison Between 1962 Articles & New Articles

1962 ARTICLES	NEW ARTICLES	COMMENT
Article 2 – issue of shares	Article 3 Article 4 (re issue of redeemable ordinary shares) Article 7 (re issue of redeemable preference shares)	No material changes made apart from permitting the company to issue redeemable ordinary shares, as permitted by sections 56 and 57 of the Companies Act 2005. The issue of redeemable ordinary shares was not previously permitted under Jamaican company law.
Article 3 – How special rights of shares may be varied	Article 8	Changes now to make consent in writing to variation of class rights by shareholders possible, and to use the correct quorum for class meetings in compliance with JSE Rule 404 F (iii)
Article 4 – Issue of further shares	Article 9	No material changes made.
Article 5 – power to increase capital	Article 51	No material changes made.
Article 6 – rights and liabilities attached to new shares	Article 53	No material changes made, but drafting amended to improve it.
Article 7 (A) – power to consolidate shares, power to cancel shares, power to subdivide shares	Article 54 (1)	No material changes made
Article 7 (B) – Adjustments upon consolidation	Article 54 (2)	No material changes made
Article 8 – Shares at disposal of Directors	Article 52	No material changes made
Article 9 – new shares to be offered to members	Not included	JSE Rule 412 already makes provision for this, and it is recommended that the New Articles not repeat these provisions, in the event there are amendments to the JSE Rules. Article 10 expressly makes the issue and allotment of new shares subject to the provisions of stock exchange rules, which effectively imports JSE Rule 412.
Article 10 – Exclusion of equities	Article 12 (1)	No material changes made
Article 11 – certificates to be sealed	Article 14 (2)	Certificates can now be signed by electronic means.
Article 12 – issue of share certificates	Article 14 (2)	Changes include making provisions made for shares deposited in JCS D; also, express reference made to requirement for compliance with JSE Rules re the timeline for issuing certificates/statements after transfers.

1962 ARTICLES	NEW ARTICLES	COMMENT
Article 13 – Balance certificates	Article 14 (1)	No material changes made
Article 14 – renewal of certificates	Article 15	No material changes; cap imposed on fees for replacement by JSE Rules is now recognized.
Article 15 - Calls	Article 21	Reference to nominal value of shares deleted in light of no par value regime.
Article 16 – Time when [calls] made	Article 22	No material changes made
Article 17 – Liability of joint holders	Article 23	No material changes made
Article 18 – Interest on calls	Article 24	Eliminates fixed cap on rate of interest on unpaid calls; directors may set maximum rate and in default of setting the maximum rate, the 10% cap from the 1962 Articles applies.
Article 19 – sums due on allotment to be treated as calls	Article 25	No material changes, except for elimination of reference to nominal value of shares or premium, to reflect no par value regime.
Article 20 – Power to differentiate	Article 26	No material changes made.
Article 21 – Payment in advance of calls	Article 27	No material changes made
Article 22 – Notice requiring payment	Article 40	No material changes made
Article 23 – What a notice should state	Article 41	No material changes made
Article 24 – Forfeiture on non-compliance	Article 42	No material changes made
Article 25 – Forfeited share may be sold	Article 44	No material changes made
Article 26 – Provisions on forfeiture	Article 45	Only change is to now include a liability for payment of interest in respect of such sums as are due to the company. Article 26 of the 1962 Articles did not include liability for interest.
Article 27 – Entry of particulars	Article 43	No material changes made, except that notice of forfeiture to be given to member
Article 28 - Liens	Article 17	Liens now not permitted on fully paid up shares, in order to comply with JSE Rule 404 A (ii).
Article 29 – Sale for lien	Article 18	No material changes made. Drafting differs, but same result and effect.

<b>1962 ARTICLES</b>	<b>NEW ARTICLES</b>	<b>COMMENT</b>
Article 30 – Proceeds how applied	Article 20	No material changes made. Drafting differs, but same result and effect.
Article 31 – Evidence and Purchasers’ Title	Article 46	No material changes made. Drafting differs, but same result and effect.
Article 32 – Form of transfer	Article 30 (1)	No material changes; more modern formulation used. Same result and effect.
Article 33 - execution	Article 29	Need for transferee to sign transfer eliminated.
Article 34 – Directors power to decline to register [transfers]	Articles 31, 32, and 33	Directors’ power to decline to register transfer to person of whom they do not approve eliminated, as inconsistent with JSE Rules 404 A (ii) and with the Companies Act. New Article 31 provides directors may decline to register transfer of shares if they are not fully paid shares.
Article 35 (A) – fee payable [on transfer]	Article 35	Fee payable on transfer of shares eliminated. In keeping with JSE Rule 404 A (i). Article 35 provides no fee payable while shares listed on stock exchange.
Articles 35 (B) & (C) – Deposit of transfer	32 (a) and (b).	No material changes made. Provision for transfers which are registered to be retained by the Company eliminated as unnecessary
Article 36 – fee for registration	Article 35	Amended to comply with JSE Rule 404 A (i) by making payment of fee on registration of any instrument relating to title to shares or other securities issued by Company applicable unless prohibited by JSE Rules.
Article 37 – Suspension of registration	Article 34	No material changes made
Article 38 – Renunciation of allotment	Not repeated	No provision needs to be made in respect of this, which provided that nothing in the articles precluded the directors from recognizing a renunciation of allotment of any share by the allottee in favour of some other person. Omitted from new Articles.
Article 39 – Transmission on death	Article 36	No material changes made.
Article 40 – Registration of executors and trustees in bankruptcy	Articles 37 and 38	No material changes made.
Article 41 – Rights of unregistered executors and trustees	Article 39	No material changes made.
Article 42 – power to convert into stock	Article 47	No material changes made.
Article 43 – Transfer of stock	Article 48	Reference to “nominal amount” of shares deleted. Otherwise, no material changes made.

1962 ARTICLES	NEW ARTICLES	COMMENT
Article 44 – Rights of stockholders	Article 49	No material changes made.
Article 45 – Annual and other meetings	Articles 57 – 58	Provision reworded to comply with section 127 of the Companies Act
Article 46 – Extraordinary meetings	Article 59	Provision simplified to incorporate reference to section 128 of the Companies Act.
Article 47 – Requisition for meeting	Article 59	Provision simplified to incorporate reference to section 128 of the Companies Act.
Article 48 – Powers of requisitionists	Article 59	Provision simplified to incorporate reference to section 128 of the Companies Act.
Article 49 – Second requisitioned meeting	n/a	Second meeting no longer required under Companies Act. Article deleted.
Article 50 – Method of convening	Article 59	Provision simplified to incorporate reference to section 128 of the Companies Act.
Article 51 – Notice of meeting	Article 60	Provisions updated to reflect provisions of Companies Act as regards notice for general meetings.
Article 52 – Business of meeting	Article 62	No material changes made. Drafting differs, but same result and effect.
Article 53 – Quorum	Articles 62 and 63	<p>More modern language used. No material changes made. Drafting differs, but same result and effect, except that quorum provisions now adjusted to remove requirement that the members present forming the quorum must have a specified percentage of the issued share capital of the Company.</p> <p>NB: Pursuant to section 130 of Companies Act, unless Articles make contrary provision, 3 members present in person shall be a quorum. The Company's 1962 articles provide for a quorum of two.</p>
Article 54 – Adjournment for want of quorum	Article 64	No material changes made.
Article 55 – Chairman of meeting	Articles 65 and 66	Articles changed to vary the hierarchy. If chairman not present, directors may choose another director. If no director is present within allotted time, or no director is willing to act, then a member can be chosen by the members to chair the meeting.
Article 56 – Adjournment	Article 67	Article changed to tighten up the notice provisions regarding the adjourned meeting and bring it in line with usual practice.
Article 57 – Method of voting	Article 68	Categories of persons who may demand poll expanded to correspond with section 132 (1) of the Act.

<b>1962 ARTICLES</b>	<b>NEW ARTICLES</b>	<b>COMMENT</b>
Article 58 - How poll to be taken	Article 69	More modern formulation used. No material changes in substance.
Article 59 – Chairman’s casting vote	Article 70	No material changes made.
Article 60 – Time for taking a poll	Article 71	No material changes made, except to shorten the time for the taking of the poll from 30 days to 14 days.
Article 61 – Continuance of business after demand for poll	Article 71	No material changes made.
Article 62 – Votes	Articles 72 (a) and (b)	No material changes made. Round robin resolutions permitted provided Company’s shares not listed on a stock exchange.
Article 63 – joint holders	Article 74	No material changes made.
Article 64 – Voting rights of lunatic member	Article 75	No material changes made.
Article 65 – objections	Article 76	No material changes made.
Article 66 – votes on a poll	Articles 72 and 73	No material changes made. Drafting changes but no change to substance of Article.
Article 67 – Proxy need not be a member	Article 77	No material changes made.
Article 68 – Form of proxies	Articles 77 and 79	Modernised, and also form of proxy required to comply with JSE Rule 404 1.
Article 69 – Deposit of proxies	Article 78	No material changes made.
Article 70 – Effect of proxies	Article 81	No material changes made.
Article 71 – intervening death or insanity of principal not to affect votes cast by proxy	Article 82	No material changes made.
Article 72 – Corporations acting by representatives	Article 83	No material changes made.
Article 73 – number of directors	Article 84	Provision re maximum number of directors amended to reflect instructions.
Article 74 – Share qualifications	Article 87	No material changes made.
Article 75 – Remuneration and expenses	Article 85	No material changes made.
Article 76 – Pensions for directors	Article 99	More modern language used.
Article 77 – power of directors to hold offices of profit and contract with the company	Article 96	Provision deleted and replaced with modern language recognizing section 193 etc of the Companies Act.

1962 ARTICLES	NEW ARTICLES	COMMENT
Article 78 – Appointment to executive office	Article 119	Article modified to only make reference to a managing director.
Article 79 – Termination of appointment	Article 119	Article modified to only make reference to a managing director.
Article 80 – powers of [Executive directors]	Article 121	Article modified to only make reference to a managing director.
Article 81 – First Directors	n/a	
Article 82 – Directors’ powers to fill casual vacancies or appoint additional directors	Article 107	No material changes made.
Article 83 – Vacation of office of director	Article 100	Expanded and modernized. Now includes age limit (72), but with power to board to allow over age director to stay on. Modern trend in governance is to include age limits.
Article 84 – Retirement of directors by rotation	Article 101 (1)	No material changes made.
Article 85 – selection of directors to retire	Article 101 (2)	No material changes made.
Article 86 – Filling vacated office	Article 104	No material changes made.
Article 87 – appointment of directors to be voted on individually	n/a	Already provided in section 178 of the Act
Article 88 – Notice of intention to reappoint director	Article 105	Time limits adjusted to reflect provisions of JSE Rule 404 D (iv).
Article 89 – Removal of directors	Articles 108 and 109	No material changes made.
Article 90 – Provisions for appointing and removing alternate directors	Article 113	No material changes made.
Article 91 – Meetings of Directors	Articles 110 & 118	No material changes made in Article 110. New article added at Article 118, regarding the ability of directors to meet electronically as provided under section 141 of the Act.
Article 92 – Quorum	Article 111	No material changes made, apart from requiring at least one independent director to be part of quorum.
Article 93 – Declaration of interest	Article 96	Modernised to reflect section 193 of the Companies Act and 2017 amendments to Companies Act
Article 94 – Restrictions on voting	Article 96	Modernised to reflect section 193 of the Companies Act and 2017 amendments to Companies Act

<b>1962 ARTICLES</b>	<b>NEW ARTICLES</b>	<b>COMMENT</b>
Article 95 – Relaxation of restrictions on voting	Article 96	Modernised to reflect section 193 of the Companies Act and 2017 amendments to Companies Act
Article 96 – Proceedings in case of vacancies	Article 112	No material changes made.
Article 97 – Chairman	Article 114	No material changes made.
Article 98 – Power to appoint committees	Article 115	No material changes made.
Article 99 – Proceedings of committee meetings	Article 115	No material changes made.
Article 100 – Validity of acts of directors in spite of some formal defect	Article 116	No material changes made.
Article 101 – Borrowing powers of directors	Article 89	Amended to allow Directors to give powers to creditors to appoint directors etc. if thought fit, and to delete limit (i.e., nominal amount of share capital) on amount capable of being borrowed.
Article 102 – general power of directors to manage company’s business	Article 90	No material changes made.
Article 103 – power to appoint attorneys	Article 93	No material changes made.
Article 104 – Signature of cheques and bills	Article 97	No material changes made.
Article 105 – Appointment of secretary	Article 122	No material changes made.
Article 106 – Formalities for affixing seal	Article 124	No material changes made.
Article 107 – power to authenticate documents	Article 98	No material changes made. Drafting changes but no change to substance of Article.
Article 108 –Payment of dividends	Article 125	No material changes made. Drafting changes but no change to substance of Article.
Article 109 - Apportionment of dividends	Article 129	No material changes made. Drafting changes but no change to substance of Article.
Article 110 – Payment of interim dividends	Article 126	No material changes made. Drafting changes but no change to substance of Article.
Article 111 – profit earned before acquisition of a business	n/a	Appropriate to leave these matters for accounting standards to address, rather than include in Articles.

1962 ARTICLES	NEW ARTICLES	COMMENT
Article 112 – Share premium account	n/a	Deleted, as a result of introduction of no par value shares.
Article 113 – Dividends not to bear interest	Article 134	No material changes made.
Article 114 – Deduction of debts to the company	Article 130	No material changes made.
Article 115 – Retention of dividends	Article 131	No material changes made.
Article 116 – Retention of Dividends	Article 132	No material changes made.
Article 117 – Unclaimed dividends	Article 136	No material changes made.
Article 118- Payment of dividends in specie	Article 133	No material changes made.
Article 119 – Dividends payable by cheque	Article 134	Expanded to include electronic funds transfers
Article 120 – Dividends due to joint holders	Article 134	No material changes made.
Article 121 – Power to carry profit to reserve	Article 128	No material changes made.
Article 122 – Capitalisation of profits	Articles 142 and 143	No material changes made
Article 123 – Minutes	Article 98	No material changes made
Article 124 – Accounts to be kept	Article 137	No material changes made; obligation now included to ensure that accounts must give a true and fair view of the state of the company's affairs and to explain its transactions, in line with section 146 of the Companies Act
Article 125 – Profit and Loss accounts	Article 140	Reworded to anchor the obligation in the relevant sections of the Act (sections 145 and 147).
Article 126 – Balance Sheet	Article 140	Apart from Article 140, which deals with the obligation to make out the balance sheet and accompanying reports as required by section 145 of the Act, and lay it before the company in general meeting, Article 141 stipulates who must receive the documents and when, and also now houses the obligation under JSE Rule 404 D (iv) to send annual reports to members.
Article 127 - Auditors	Article 145	Reworded to simply import by reference the stipulations of sections 154 – 157 of the Act, which sets out all the relevant details re appointment, remuneration etc of auditors.

<b>1962 ARTICLES</b>	<b>NEW ARTICLES</b>	<b>COMMENT</b>
Article 128 – Temporary appointments [of auditors]	Article 145	See above
Article 129 – Auditors rights	Article 145	See above
Article 130 – Auditors report	Article 145	See above
Article 131 – Service of Notices	Article 146	Updated and modernized to permit use of electronic means where permitted by law.
Article 132 – Service of notices in respect of joint holdings	Article 147	No material changes made
Article 133 – Service of notices after death or bankruptcy of a member	Article 148	No material changes made
Article 134 – No address in Jamaica	Article 149 (A)	No material changes made
Article 135 – Counting days	Article 146 (4)	Modified to provide that the day of service is counted except where Articles stipulate otherwise, i.e. where Articles stipulate either ‘clear days’ or that date of meeting and date of service excluded from reckoning.
Article 136 – Distribution of assets [on winding up]	n/a	Fully dealt with by section 202 of the Insolvency Act.
Article 137 – Distribution in specie	Article 150	No material changes made.
Article 138 – Indemnity	Article 151	<p>Reworded to limit duty to indemnify to where person to be indemnified has acted honestly and in good faith with a view to the best interests of the company, or, in the case of criminal proceedings, or proceedings involving a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.</p> <p>Article 152 also addresses the power of the company, pursuant to section 204 of the Act, to purchase liability insurance for persons mentioned in Article 151, other than in respect of liability for fraud.</p>

**NEW ARTICLES NOT INCLUDED IN 1962 ARTICLES**

<b>Article</b>	<b>Comment</b>
Article 5	Company has power to purchase or otherwise acquire shares issued by it, as provided by, and subject to, section 58 of the Companies Act 2004. Section 58 was not found in the repealed Companies Act.
Article 6	Company has power to purchase or otherwise acquire shares issued by it for certain specified purposes, as provided by, and subject to, section 59 of the Companies Act 2004. Section 59 was not found in the repealed Companies Act.
Article 12 (2) – (7)	Directors and Company now empowered to require members to disclose beneficial ownership of shares or other securities issued by the Company and registered in their names. This is in part arising from compliance requirements of Companies (Amendment) Act, 2017.
Article 13	In compliance with section 196 of the Companies Act 2004, directors required to notify Company of details of shares or debentures held by them or held on their behalf, or which they are entitled to become the holder of, and which are issued by the Company or its subsidiaries or its holding Company, or a subsidiary of the Company's holding company.
Article 16 – Financial Assistance	Adopts the more liberal approach to the Company providing financial assistance to any person by way of loan, guarantee or otherwise which is set out in section 185 of the Companies Act 2004. Section 185 relaxed the extremely restrictive approach to financial assistance contained in section 179 of the repealed Companies Act.
Article 96	Comprehensive regime set up dealing with where directors or officers are interested in a contract or proposed contract with the Company and the duty of disclosure arising from such interest, as well as obligation to recuse from deliberations, reflecting the position set out in section 193 of the Companies Act 2004. Article also deals with circumstances involving broader conflicts of interest involving directors and how the Company and the interested director must handle them. Provision is designed to ensure compliance with Companies (Amendment) Act 2017 on the issue of conflicts of interest.
Article 117	Directors expressly enabled to use round-robin resolutions, in line with modern practices.
Article 118	Directors now permitted to hold and attend meetings via electronic means, in accordance with the power introduced by section 141 of the Companies Act 2004.
Article 152	Company now expressly authorized to purchase and maintain liability insurance for the benefit of present and former directors, officers or auditors of the Company, in accordance with and subject to the powers introduced under section 204 of the Companies Act 2004.







**CARRERAS LIMITED**

**A proud Jamaican Company since 1962**

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