

**The Companies Acts 1985 & 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

-of-

**AGRICULTURAL CENTRAL TRADING LIMITED**

(Company Number 713606)

(Adopted by special resolution passed on

2011)

**PRELIMINARY**

- 1 The following regulations and (subject as hereinafter provided) the regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (hereinafter called "**Table A**") shall constitute the regulations of the Company.
- 2 Regulations 2, 8, 24, 42, 43, 54, 64 to 69 (inclusive), 73, 75 to 80 (inclusive) and 91 of Table A shall not apply to the Company.
- 3 In these Articles of Association, unless the context requires otherwise, the following definitions shall apply:
  - (a) "**the Act**" means the Companies Act 1985;
  - (b) "**the Company**" means Agricultural Central Trading Limited;
  - (c) "**the Board**" or "**the Directors**" means a quorum of the Directors of the Company for the time being assembled at any place in accordance with the Articles;
  - (d) "**member**" means a registered holder of shares in the Company from time to time; and
  - (e) "**Active Member**" means a member who is not a Lapsed Member (as defined in Article 16).

**LIABILITY OF MEMBERS**

- 4 The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

**SHARE CAPITAL**

- 5 Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Directors may determine.
- 6 For a period of five years commencing on the date of adoption of these Articles of Association, the Directors may allot shares to such persons as they think fit without the authorisation of the Company in general meeting but shall not allot more than two hundred and fifty thousand shares.

- 7 Section 89(1) of the Act shall be excluded in its application to allotments of shares by the Company.

### LIEN

- 8 The Company shall have a first and paramount lien on every share (whether fully paid or not) for all moneys (whether payable in respect of that share or otherwise) presently due or due at a future date or due subject to a condition or contingency from the holder or holders of that share to the Company. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount payable by the Company in respect of that share.
- 9 The words "is presently payable and" shall be omitted from Regulation 9 of Table A.
- 10 The words "the sum in respect of which the lien exists" shall be substituted for the words "so much of the sum for which the lien exists as is presently payable" in Regulation 11 of Table A.

### TRANSFER OF SHARES

- 11 The Directors may, in their absolute discretion, refuse to register any transfer of shares without giving any reason.
- 12 Shares shall be transferred at the price agreed between the transferor and the transferee or, failing agreement, the price certified in writing by an independent Assessor appointed by the Company as being in his opinion, acting as an expert not as an arbitrator, the fair value of the Company's shares as between a willing transferor and a willing transferee. The price shall be so certified as at the date of completing an audit of the accounts of the Company for every accounting period and as at such later date (if any) as the Directors specify and every such certification shall apply until the date of the next one.
- 13 If a postal communication from the Company relative to any of its shares has been returned undelivered and either the same occurs on a subsequent occasion or reasonable enquiries of the Company fail to establish an address for contacting the member or other person entitled to the share or shares concerned then the Board may send to that person by recorded delivery post at the address for the service of notices on him under the Articles a notice requiring him to notify the Company in writing within twenty-eight days after the notice is posted of a current address for the purpose of receiving communications from the Company.
- 14 A person who fails to comply with a notice under Article 13 above shall immediately on the expiry of the period there specified cease to be entitled to receive notice of and to attend and vote at meetings of the Company and the Board may sell his shares in the Company on his behalf at not less than the price specified under Article 11 above current at the time of transfer to any purchaser they think fit and may authorise any person to execute the instrument of transfer for and on behalf of the vendor on payment to the Company of the purchase price.
- 15 The proceeds of sale received by the Company under Article 14 above shall be payable immediately to the vendor.
- 16 In the event that a member has not conducted any trade with the Company for a period of 5 consecutive years (a "**Lapsed Member**") then the Company shall, upon the expiry of such 5 year period, be immediately entitled in respect of all or any shares then registered in the name of the Lapsed Member ("**Relevant Shares**"), and without further notice to the Lapsed Member:
- (a) to purchase all or any of the Relevant Shares itself; or
  - (b) to sell all or any of the Relevant Shares to such third party purchaser as is nominated by the Company in its absolute discretion (a "**Purchaser**")

PROVIDED that the in each case the purchase price for the Relevant Shares shall not be less than the fair value of such shares current at the time of transfer, as certified in accordance with Article 12 above.

- 17 The Directors may authorise any person (who shall be deemed to be irrevocably appointed as the attorney of the Lapsed Member or the personal representatives of such member) to execute any agreement or transfer which may be required to transfer the Relevant Shares pursuant to Article 16, and may deliver the same on his behalf. The Company may receive the purchase money in respect of such sale of the Relevant Shares in trust for the Lapsed Member (which it shall pay into a separate bank account in the Company's name but shall not be bound to earn or pay interest on any money so held) and in the case of a sale to a Purchaser pursuant to Article 16(b), shall cause such Purchaser to be registered as the holder of the Relevant Shares. The receipt of the Company for the purchase money in respect of the Relevant Shares shall be a good discharge to the Purchaser (who shall not be bound to see to the application of the purchase money) and after the Purchaser has been registered in purported exercise of these powers the validity of the proceedings shall not be questioned by any person.

#### **PROCEEDINGS AT GENERAL MEETINGS**

- 18 The Chairman of the Board, or failing him, the Vice-Chairman or, failing both of them, a Director appointed by the Directors present, shall preside as chairman of each general meeting but, failing all of them, the members present and entitled to vote shall choose one of their number to preside as chairman.

#### **VOTES OF MEMBERS**

- 19 Subject to any restrictions attached to any shares, on a show of hands every member who, being an individual, is present in person or, being a corporation, is present by a duly authorised representative who is not also a member entitled to vote shall have one vote and on a poll every member shall have one vote for every share of which he is the holder.
- 20 Notwithstanding Regulation 40 of Table A, at any General Meeting (which, for the purposes of this clause 20, shall not include Annual General Meetings) a resolution:
- (a) to alter the Memorandum or Articles of the Company; or
  - (b) to wind up the Company; or
  - (c) to remove a Director under Section 303 of the Act; or
  - (d) to confer authorisation under Article 30,

shall not be valid unless not less than twenty-five members entitled to vote are present in person or by proxy or, being corporations, by duly authorised representatives when the vote on the resolution is taken.

#### **DIRECTORS**

- 21 The Directors in office at the time of adoption of these Articles of Association shall continue in office subject to the provisions of the Articles for the retirement, disqualification or removal of Directors.

## **APPOINTMENT AND RETIREMENT OF DIRECTORS**

- 22 From the Annual General Meeting following the adoption of these Articles of Association, the Board shall consist of:
- (a) a minimum of four Directors and a maximum of six Directors appointed by postal ballot of the members entitled to vote; and
  - (b) not more than five Directors appointed by a majority of the Directors for the time being in office under paragraph (a) of this Article 22, each being appointed for a specified period not exceeding three years.
- 23 All of the Directors in office on the date of adoption of Article 22 who have been appointed by any form of postal ballot of members shall be taken to have been appointed under Article 22(a). At every annual general meeting two Directors appointed under Article 22(a) shall retire from office by rotation. No Director will serve for more than nine years except the Chairman and the Vice-Chairman.
- 24 No person shall be appointed a Director in pursuance of Article 22(a) unless:
- (a) he is nominated by the Board; or
  - (b) he is nominated in writing signed by ten members eligible to vote on the appointment and countersigned by the nominee and the nomination is received at the place and by the date fixed by the Board of which every such member shall be given not less than fourteen days' written notice.
- 25 Every ballot under Article 22(a) shall be conducted at such a time as to ensure that the result is available at the annual general meeting at which the vacancy arises and every member eligible to vote shall be given not less than fourteen days from the date of receiving a ballot paper until the date it has to be returned.
- 26 The candidates in a ballot under Article 22(a) shall be the persons nominated under Article 24 and
- (a) if the number of candidates does not exceed the number of vacancies then the person or persons so nominated shall be taken to have been appointed
  - (b) if the number of candidates exceeds the number of vacancies then every member eligible to vote shall be entitled to vote for the same number of candidates as there are vacancies but shall have just one vote for any candidate and the candidates with the highest totals of votes shall thereby be appointed.
- 27 Unless otherwise determined by ordinary resolution, the share qualification for Directors shall be the holding of not less than fifty shares.
- 28 The Directors may fill any casual vacancy occurring in their number but if the vacancy is in respect of an appointment under Article 22(a) then the person appointed to fill it shall retire from office at the next following annual general meeting and shall not be counted as a Director retiring by rotation unless his predecessor would have so retired at that meeting.

## **REMUNERATION OF DIRECTORS**

- 29 In addition to any remuneration payable under Regulation 82 of Table A, a Director may be paid such remuneration for special services as the Directors determine.

## **POWERS OF DIRECTORS**

- 30 Except with the prior consent of the majority of the Active Members by the passing of an ordinary resolution of the Active Members (either by way of written resolution or at any General Meeting of the Company), and except to the extent specified in that resolution, the Directors shall not exercise the powers of the Company to sell or otherwise dispose of the whole or any substantial part of the undertaking of the Company, which (for the avoidance of doubt) shall include a sale of the assets and/or a sale of the shares of the Company, or any part thereof. A certificate signed by the Chairman for the time being of the Board confirming that such a resolution has been passed shall be conclusive evidence of the fact that such consent has been duly given in accordance with the terms of the certificate.

## **PROCEEDINGS OF DIRECTORS**

- 31 As soon as practicable after every Annual General Meeting the Directors shall by secret ballot appoint from their number a Chairman and Vice-Chairman. The Directors may at any time remove a person from the office of Chairman or Vice-Chairman and by secret ballot appoint a replacement from their number. The Chairman and Vice-Chairman shall retire from office at the end of every annual general meeting after which they shall be eligible for re-appointment if still Directors. The Chairman may not serve more than two terms of three years each. At the Board Meeting at which the Chairman is appointed those Directors wishing to be considered for the position should give a résumé of their background before the ballot is made. Directors will be ineligible to stand for office if, during the remainder of their term of office they would attain the age of 70 years.
- 32 The Chairman or, failing him, the Vice-Chairman shall preside as chairman of each meeting of Directors but, failing both of them, the Directors present shall choose one of their number to preside as chairman.
- 33 A matter put to the vote at a meeting of Directors shall be decided by a majority of those present and voting and on an equality of votes the chairman shall have a second or casting vote.

## **DISTRIBUTION OF PROFITS**

- 34 Subject to the provisions of the Act, the Directors may distribute the whole or any part of the profit for an accounting period to members in proportion to the use made by them during that period of the facilities provided by the Company calculated on such objective basis as the Directors specify.
- 35 Regulations 103 and 106 to 108 of Table A shall apply to distributions under Article 34, with the necessary modifications, as they do to dividends.
- 36 The Directors may exclude from the payment of any dividend or any distribution under Article 34 such members decided on such criteria as to size of shareholdings or volume of trade with the Company or both as the Directors specify in order to avoid the need to make payments which the Directors consider to be inordinately small.
- 37 The Directors may set off against any sum payable to a member by way of dividend or of distribution under Article 34 any monies due from that member to the Company.
- 38 Every payment due to a member by way of dividend or of distribution under Article 34 may be made in cash, issuing bonus shares, crediting that member's trading account with the Company, issuing trading vouchers or any other reasonable method or any combination of such methods as the Directors shall decide.

## CONFLICTS OF INTEREST

- 39 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an "**Interested Director**") breaching his duty under section 175 of the Act to avoid conflicts of interest ("**Conflict**").
- 40 Any authorisation of a Conflict will be effective only if:
- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
  - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
  - (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 41 Any authorisation of a Conflict may (whether at the time of giving the authorisation or subsequently):
- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
  - (c) provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
  - (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
  - (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
  - (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 42 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 43 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 44 A director, notwithstanding his office, may be a director or other officer of, or employed by, or otherwise interested (including by the holding of shares) in any parent or subsidiary company of the Company, or any parent or subsidiary company of the Company's parent company, and no authorisation under article 39 shall be necessary in respect of any such interest.
- 45 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any

remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.