

Company number: 2926583

THE COMPANIES ACTS 1985 TO 2006

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

PROTOCOL EDUCATION LIMITED

THURSDAY



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COMPANIES HOUSE

Adopted by written resolution of the shareholders of the Company  
dated 8 December 2009

**1. Preliminary**

The regulations set out in Table A as modified by these articles are the regulations of the Company. If there is any inconsistency between these articles and the regulations of Table A, these articles will prevail. A copy of Table A is set out in the schedule to these articles.

**2. Definitions and interpretation**

- 2.1 In these articles the following words and expressions (except where the context otherwise requires) have the following meanings:

"**2006 Act**" means the Companies Act 2006 including any statutory modification or re-enactment from time to time in force,

"**Acting in Concert**" shall have the meaning given to it in The City Code on Takeovers and Mergers, published by the Panel on Takeovers and Mergers (as amended from time to time),

"**Admission or Listing**" means the first occasion on which ordinary shares in the capital of the Company are permitted to be traded or dealt in on the Official List of the London Stock Exchange plc, the AIM, a Relevant EEA Market or listed on any Recognised Stock Exchange,

"**Asset Sale**" means a sale by the Company on a bona fide arms length basis of all, or substantially all, of the Company's business, assets and undertakings (other than pursuant to an intra-group reorganisation),

"**Auditors**" means the auditors of the Company from time to time,

"**Award**" means an award in relation to a Non-Voting Share under a Share Award Agreement,

**"Bank Approval"** means the prior written consent or approval of Bank of Scotland plc,

**"B Hurdle"** means

- (a) in the case of a Company Sale an Exit Value which will result in the holders of Shares receiving not less than £11 million,
- (b) in the case of a Listing an Exit Value at which the Pre-New Money Valuation is not less than £11 million,
- (c) in the case of distribution of assets on a liquidation or return of capital, a Surplus in excess of £11 million,

provided that in the event that any additional capital is invested in or shareholder loans are made to the Company or there is any material change in the terms of trade of the Company or a material cash outflow or material expenditure that is not part of the normal operating cost of the Company the Directors may acting in good faith and with Investor Approval vary the B Hurdle so that it is set at a higher level than that specified in (a), (b) and/or (c) above

**"Board"** means the board of directors of the Company and **"Director"** means any of the directors of the Company,

**"B Shareholder"** means any person who is legally or beneficially entitled to any B Share,

**"B Shares"** means the non-voting B ordinary shares of £0.001 each in the share capital of the Company having the rights set out in these articles,

**"Business Day"** means a day other than a day which is a Saturday, a Sunday or public holiday in England,

**"C Hurdle"** means

- (a) in the case of a Company Sale an Exit Value of not less than £21 million,
- (b) in the case of a Listing an Exit Value at which the Pre-New Money Valuation is not less than £21 million,
- (c) in the case of distribution of assets on a liquidation or return of capital, a Surplus in excess of £21 million,

and provided in each case that all monies owed to Bank of Scotland plc by the Company and any Group Company are repaid on or before or otherwise in connection with such the Company Sale, the Listing or the distribution referred to in (a), (b) and (c) respectively and provided further that in the event that any additional capital is invested in or shareholder loans are made to the Company or there is any material change in the terms of trade of the Company or a material cash outflow or material expenditure that is not part of the normal operating cost of the Company the Directors may acting in good faith and with Investor Approval vary the C Hurdle so that it is set at a higher level than that specified in (a), (b) and/or (c) above,

**"Company Sale"** shall mean the sale of any of the Shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of such Shares and persons Acting in Concert with him together acquiring a Controlling Interest in the Company save where following completion of such sale the shareholders in such purchaser and the proportion of shares held by each in such

purchaser are the same as the Shareholders and their Shareholdings in the Company immediately prior to such sale,

**"Control"** bears the meaning given by section 995 of the Income Tax Act 2007,

**"Controlling Interest"** means an interest in shares which confer in aggregate more than fifty per cent (50%) of the total voting rights conferred by all the shares in issue in the capital of the Company,

**"C Shareholder"** means any person who is legally or beneficially entitled to any C Share,

**"C Shares"** means the non-voting C ordinary shares of £0 001 each in the share capital of the Company having the rights set out in these articles,

**"Deferred Shares"** the deferred shares of £0 001 each in the share capital of the Company,

**"electronic address"** has the same meaning as in section 333 of the 2006 Act,

**"electronic form"** and **"electronic means"** have the same meaning as in section 1168 of the 2006 Act,

**"ELSG"** means ELS Group Limited (registered no 03221797),

**"Enterprise Value"** means the value attributed to the Company on a Company Sale being a value on a debt free cash free basis adjusted to allow for a normalised level of working capital as such value is determined by the Directors acting in good faith and with Investor Approval and Bank Approval,

**"Exit Value"** means

- (a) in the case of a Company Sale, the Enterprise Value, or
- (b) in the case of a Listing, the Pre-New Money Valuation, or
- (c) in the case of a distribution of assets on a liquidation or a return of capital, the Surplus,

**"Expert Valuers"** has the meaning given in article 8 1(a),

**"Group Company"** means the Company and any other company (or other entity) which is a subsidiary undertaking or parent undertaking of the Company from time to time (and **"Group"** shall be construed accordingly),

**"hard copy form"** has the same meaning as in section 1168 of the 2006 Act,

**"Interested Director"** has the meaning given in article 16 4,

**"Investor Approval"** means the prior written consent or approval of Bridgepoint Capital Limited,

**"Listing Price"** means the price per share at which Ordinary Shares are issued at the time of a Listing,

**"Market Value"** is as determined in accordance with article 8,

**"Non-Voting Shareholder"** means a holder of B Shares or C Shares,

**"Non-Voting Shares"** means B Shares and/or C Shares,

**"Ordinary Shares"** means ordinary shares in the capital of the Company,

**"PANV"** means Protocol Associates N V , a company incorporated in Belgium,

**"Parent Company"** means Protocol Associates Limited (registered in England and Wales with number 3875274),

**"Pre-New Money Valuation"** means the result of multiplying the total number of Ordinary Shares in issue immediately after the Listing (including any Ordinary Shares issued pursuant to Article 4 5 but excluding any new Ordinary Shares issued upon the Listing) by the Listing Price,

**"Primary Holder"** has the meaning given in article 18 7,

**"Proceeds of Sale"** means the consideration payable (including any deferred consideration but excluding any consideration in the nature of the repayment of debt of the Company) whether in cash or otherwise to those Shareholders selling Shares pursuant to a Company Sale,

**"Recognised Stock Exchange"** has the meaning given in section 1005 of the Income Tax Act 2007,

**"Relevant Company"** has the meaning given in article 21 2,

**"Relevant EEA Market"** has the meaning in article 68(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended from time to time,

**"Relevant Interest"** has the meaning given in article 16 4,

**"Restricted Shares"** means Shares which are treated as restricted shares under the terms of a Share Award Agreement,

**"Sale"** means the completion of the sale of any shares in the capital of the Company or of ELSG or of the Parent Company or of PANV (in one or a series of transactions) which will result in the purchaser of those shares and any person Acting in Concert with him acquiring a Controlling Interest in the Company or of ELSG or of the Parent Company or PANV, as appropriate,

**"Sale Shares"** has the meaning given in article 7 1,

**"Share Award Agreement"** means any agreement made between the Company (1), ELSG (2), Protocol Associates Limited (3) any Non-Voting Shareholder (4) and Bridgepoint Capital Limited (5) being in a form approved by the Board with Investor Approval (or with non-material changes to the form of such agreement),

**"Shareholder"** means a person registered as the holder of a Share,

**"Shares"** means (unless the context does not so admit) any shares in the capital of the Company (of whatever class),

**"Surplus"** means the surplus assets of the Company remaining after payment of its liabilities,

**"Table A"** means Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985/805) as amended for private companies limited by shares by

- (a) the Companies (Tables A – F) (Amendment) Regulations 1985 (SI 1985/1052),
- (b) Schedule 1 to the Companies Act 1985 (Electronic Communications) Order 2000 (SI 2000/3373),
- (c) the Companies (Tables A to F) (Amendment) Regulations 2007 (SI 2007/2541), and
- (d) the Companies (Tables A to F) (Amendment) (No 2) Regulations 2007 (SI 2007/2826),

**"Voting Ordinary Shareholder"** means any person who is beneficially entitled to any Voting Ordinary Share, and

**"Voting Ordinary Shares"** means the ordinary shares of £0.01 each in the share capital of the Company having the rights set out in these articles

2.2 Words and expressions defined in Table A or the 2006 Act shall have the same meaning in these articles unless the context requires otherwise

2.3 In these articles

- (a) reference to
  - (i) any statute or statutory provision includes a reference
    - (A) to that statute or statutory provision as from time to time consolidated, modified, re-enacted (with or without modification) or replaced by any statute or statutory provision, and
    - (B) any subordinate legislation made under the relevant statutory provision,
  - (ii) the singular includes the plural and vice versa and any gender includes other genders,
  - (iii) reference to presence at a meeting includes presence which is deemed in accordance with these articles and in the case of a general meeting or class meeting includes presence in person or by proxy or by duly authorised representative (and **"present"** is to be construed accordingly),
- (b) the words, **"parent undertaking"**, **"subsidiary undertaking"** and **"undertaking"** have the meanings given to them in sections 1162 and 1161 of the 2006 Act,
- (c) the words **"include"**, **"including"** and **"in particular"** are to be construed as being by way of illustration or emphasis only and are not to be construed so as to limit the generality of any words preceding them,
- (d) the words **"other"** and **"otherwise"** are not to be construed as being limited by any words preceding them,

- (e) any matter requiring consent of the Board requires the consent of a simple majority of the directors present at the board meeting at which consent is given, and
  - (f) the table of contents and the headings to articles and the schedule are to be ignored in construing these articles
- 2 4 Bank Approval shall only be required, to the extent it is so required under these articles, for so long as any monies are still owed to the Bank by the Company or any Group Company

### **3. Share Capital and Company's Lien**

- 3 1 The share capital of the Company at the date of the adoption of these articles is divided into

- (a) 82,500 Voting Ordinary Shares,
  - (b) B Shares, and
  - (c) C Shares,

Provided that

- (1) the maximum aggregate number of B Shares which may be allotted and issued shall be 17,500 B Shares, and
  - (2) the maximum aggregate number of C Shares which may be allotted and issued shall be 10,000 C Shares

The objects of the Company are unlimited The Company is limited by shares and the liability of the members of the Company is limited

- 3 2 The Company shall have a first lien on every Share (whether or not fully paid) for any amount (whether presently payable or not) owing to the Company from the Shareholder (whether a sole holder or one of two or more joint holders) and whether or not it is owing in respect of that Share Regulation 8 of Table A does not apply
- 3 3 The objects of the Company are unlimited The liability of each member of the Company is limited
- 3 4 Awards shall not be granted over more than an aggregate of 17,500 B Shares and 10,000 C Shares without Investor Approval and Bank Approval

### **4. Share Rights**

The rights attached to the Voting Ordinary Shares, B Shares and C Shares shall be as follows

- 4 1 As regards voting
  - (a) the Voting Ordinary Shares shall confer on the holder thereof the right to receive notice of and to attend, speak and vote at all general meetings of the Company, and

- (b) the B Shares and C Shares shall not entitle the holder thereof to receive notice of or attend, speak or vote at any general meeting of the Company other than at a class meeting of the B Shares or C Share as appropriate,

4 2 On a distribution of assets on a return of capital or liquidation or otherwise (except on a redemption or purchase by the Company of any Shares), the surplus assets of the Company remaining after payment of its liabilities shall be distributed in the following order of priority

- (a) first, in paying to each holder of Voting Ordinary Shares (in priority to the payment of any amounts to the holders of each other class of Shares in the Company) an amount equal to the amount paid up or credited as paid up on each Voting Ordinary Share held by that Shareholder multiplied by the number of Voting Ordinary Shares held by such Shareholder and so that if there shall be insufficient surplus assets to pay such amounts in full the surplus assets shall be distributed to the Voting Ordinary Shareholders pro rata to the respective amounts owing to them,
- (b) secondly, in paying to the holders of the B Shares if the Exit Value is less than the B Hurdle and to the holders of the C Shares if the Exit value is less than the C Hurdle and to the holders of the Deferred Shares an amount equal to the nominal value of each such Share in issue (provided that if there are insufficient remaining assets to pay such amounts, the remaining assets shall be distributed to the holders of the Non Voting Shares and Deferred Shares pro rata to their respective holdings of such Shares),
- (c) thirdly, the balance of the surplus assets then remaining (if any) shall be applied between each Shareholder (other than the holders of B Shares if the Exit Value is less than the B Hurdle, other than the holders of C Shares if the Exit Value is less than the C Hurdle and other than the holders of Deferred Shares in their capacity as such) pro rata to the number of Shares of the relevant class held by each of them

4 3 Upon a Company Sale, the directors shall procure that

- (a) the Proceeds of Sale represented by cash are paid into the Company's or vendors' solicitors' bank account (or such other account as the holders of 75% of the Voting Ordinary Shares may agree) and the Proceeds of Sale represented other than in cash shall be held by the Company and/or vendors on trust for the holders of those Shares being sold in connection with the Company Sale or such other arrangements are made in relation to the non-cash proceeds as the Directors with Investor Approval consider appropriate,
- (b) subject to paragraph (a) of this Article 4 3, the Proceeds of Sale are distributed in the order of priority set out in Article 4 2 as if such Company Sale was a liquidation save in respect of any Shares not sold in connection with such Company Sale,

provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Company Sale the directors shall be deemed to have complied with this Article 4 3 so long as the provisions of paragraphs (a) and (b) have been applied to the Proceeds of Sale settled upon completion

4 4 Upon an Asset Sale the surplus assets of the Company remaining after payment of its liabilities (the "**Surplus Assets**") shall be distributed (insofar as the Company is lawfully permitted to do so) in accordance with the provisions of Article 4 2 provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of that Article, the Shareholders shall be required to

take such actions as the holders of 75 per cent of the Voting Ordinary Shares may require (including, but without prejudice to the generality of the foregoing, such actions that may be necessary to put the Company into voluntary liquidation so that Article 4.2 applies)

#### 4.5 In the event of a Listing

- (a) if the Exit Value is less than the B Hurdle the B Shares shall automatically convert to Deferred Shares on a one for one basis immediately prior to the Listing but if the Exit Value is equal to or greater than the B Hurdle then subject to article 4.5(c) the B Shares shall convert to Ordinary Shares on a one for one basis on the date of and immediately prior to the Listing (the "Listing Date"),
- (b) if the Exit Value is less than the C Hurdle the C Shares shall automatically convert to Deferred Shares on a one for one basis immediately prior to the Listing but if the Exit Value is equal to or greater than the C Hurdle then subject to article 4.5 (c) the C Shares shall convert to Ordinary Shares on a one for one basis on the Listing Date, and
- (c) the Shareholders and the Company shall procure that
  - (i) the number of Ordinary Shares into which the Non-Voting Shares held by a Shareholder convert pursuant to Articles 4.5(a) and/or 4.5(b) together with any additional Ordinary Shares issued by the Company to that Shareholder pursuant to this Article 4.5(c) shall, as a proportion of all the issued ordinary shares following the completion of all such conversions and issues but prior to the issue of shares to raise any new money on Listing, be equal to the proportion (the "**Relevant Proportion**") of the proceeds to which that Shareholder would have been entitled in respect of his Non-Voting Shares on a Company Sale on the Listing Date. Accordingly, if
    - (A) after the conversion of his Non-Voting Shares in accordance with Articles 4.5(a) and/or 4.5(b) the holder of those Shares would hold less than his Relevant Proportion of Ordinary Shares, the Company shall issue additional Ordinary Shares to him to increase his holding to the Relevant Proportion, and
    - (B) if after the conversion of all his Non-Voting Ordinary Shares pursuant to Articles 4.5(a) and/or 4.5(b) he would hold more than his Relevant Proportion of Ordinary Shares, the number of Non-Voting Shares which so convert into Ordinary Shares shall be reduced to such number as is not in excess of the Relevant Proportion and each remaining Non-Voting Share which is not to be converted into an Ordinary Share shall convert into a Deferred Share,
  - (ii) any shortfall between the nominal value of the Non-Voting Shares and the Ordinary Shares into which they convert pursuant to this article 4.5 shall be paid up by the automatic capitalisation of any amount standing to the credit of the share premium account or any other available reserve of the Company as determined by the directors. Such capitalisation shall be automatic and shall not require any action on the part of the Shareholders,
  - (iii) the additional Ordinary Shares to be issued pursuant to article 4.5(c)(i)(A) shall be paid up by the automatic capitalisation of any amount standing to the credit of the share premium account or any



other available reserve of the Company as determined by the directors and such additional Ordinary Shares shall be issued at par fully paid. Such capitalisation shall be automatic and shall not require any action on the part of the Shareholders and the directors shall allot the Ordinary Shares arising on such capitalisation to the Shareholders entitled to them in accordance with this Article.

4.6 Subject to Articles 4.2 to 4.5, any dividends shall be distributed to the Shareholders (other than to the holders of Deferred Shares in their capacity as such) pro-rata in proportion as nearly as is practicable to the number of Shares held by them at that time provided that no dividends shall be paid to the holders of Non-Voting Shares in their capacity as such unless there has been an Asset Sale in which case dividends shall be paid on the Shares (other than the Deferred Shares) only in accordance with the provisions of Article 4.2.

4.7 The rights attaching to the Deferred Shares shall be as follows:

- (a) the holders of Deferred Shares shall have no right to receive notice of or to attend or vote at any general meeting of the Company,
- (b) the holders of Deferred Shares shall have no right to receive any dividend or other distribution, and
- (c) the creation or issue of Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time thereafter to appoint any person to execute or give on behalf of the holder of such shares a transfer thereof and/or a consent to the cancellation of the same and/or agreement to transfer the same to such person or persons as the Company may determine as custodian thereof and/or purchase the same in accordance with the 2006 Act in any such case for not more than 1 penny for all the Deferred Shares registered in the name of any such holder without obtaining the sanction of such holder or holders and pending such transfer and/or purchase to retain the certificates (if any) in respect thereof.

## **5. Variation of Rights**

5.1 Save as provided in Article 5.2 in relation to the Non-Voting Shares and the Deferred Shares, the special rights attached to any class of shares in the Company may only be adversely varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) either:

- (a) with the consent in writing of the holders of 75 per cent or more in nominal value of the issued shares of that class, or
- (b) with the sanction of a special resolution passed at a separate general meeting of the holders of that class.

5.2 To the extent permitted by law the rights attached to the Non-Voting Shares and the Deferred Shares may be varied if but only if:

- (a) the holders of more than 50% in nominal value of the issued shares of the relevant class consent in writing to the variation, or
- (b) an ordinary resolution passed at a separate general meeting of the holders of the relevant class sanctions the variation,

and notwithstanding article 4 1 the B Shares and the C Shares shall entitle the holders thereof to sign any written consent pursuant to article 5 2(a) or to receive notice of or attend, speak or vote at any separate general meeting as referred to in article 5 2(b) and notwithstanding Article 4 7(a) the Deferred Shares shall entitle the holders thereof to sign any written consent pursuant to article 5 2(a) or to receive notice of or attend, speak or vote at any separate general meeting as referred to in article 5 2(b)

- 5 3 The provisions of these articles relating to general meetings of the Company or to the proceedings at such meetings shall, mutatis mutandis, apply to any separate meeting of the holders of any class of shares (in so far as is applicable), save that if a class has only one member the necessary quorum shall be the single member of that class (or his proxy or duly authorised representative)
- 5 4 At any class meeting of the B Shares, C Shares or the Deferred Shares, or in respect of any written resolution or consent of the holders of the B Shares, C Shares or Deferred Shares, all votes or consent shall be cast or given in accordance with the directions of ELSG

## **6. Share Transfers – General Provisions**

- 6 1 In articles 6, 7 and 9 reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or in the economic rights attaching to that Share, the creation of a trust or encumbrance over that Share or the economic rights attaching to that Share or the renunciation of a renounceable letter of allotment in respect of that Share and reference to a Share includes a beneficial or other interest in a Share
- 6 2 No Share may be transferred unless the transfer is made with Investor Approval or in accordance with either articles 7, 8 or 9 of these articles (in the event any such article applies) or (in the case of a Non-Voting Share) the Share Award Agreement
- 6 3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these articles the directors shall refuse to register such transfer (whether or not fully paid)
- 6 4 In addition to the provisions of regulation 24 of Table A and article 6 2, the directors may refuse to register a transfer (whether or not fully paid) if it is a transfer to a bankrupt, a minor or a person of unsound mind and regulation 24 of Table A shall be modified accordingly
- 6 5 Notwithstanding anything otherwise provided in these articles or in Table A (whether by way of or in relation to pre-emption rights, restrictions on, or conditions applicable to, share transfers, or otherwise), the directors shall not decline to register (and shall immediately register) any transfer of shares nor suspend registration thereof

- (a) where such transfer is in favour of a bank or any nominee of a bank and the transfer is as contemplated by, or pursuant to, any mortgage or charge of shares or any call or other share option granted in favour of the bank, or
- (b) where such transfer is by or on behalf of a bank or any nominee of a bank in favour of any third party upon disposal or realisation of shares following the bank having become entitled to exercise or enforce its rights under any such mortgage, charge, and/or call or other option, or
- (c) where such transfer is pursuant to Article 9,

and a certificate by an officer of the bank that the relevant transfer is within this Article 6.5 shall be conclusive evidence of that fact

- 6.6 Where any mortgage or charge of shares granted by ELSG in favour of a bank is enforced and the Shares held by ELSG are transferred to the bank, any nominee of the bank or any third party following the bank having become entitled to exercise or enforce its rights under any such mortgage or charge, the holders of the Non Voting Shares and the holders of the Deferred Shares shall also (upon notice in writing from the relevant bank instructing them to do so), transfer all of their shares to the bank, the relevant nominee of the bank or the third party (as appropriate)

## 7. Compulsory Transfers

- 7.1 On the death, bankruptcy, liquidation, administration or administrative receivership of a Shareholder (other than a joint holder) and if the Board so requires (with Investor Approval) by notice in writing served within three years of the Board becoming aware of such event, the relevant Shareholder's personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver or any transferee direct or indirect from such personal representatives, trustee in bankruptcy, liquidator, administrator or administrative receiver

- (a) shall be deemed to have given a transfer notice in accordance with these articles in relation to the Non Voting Shares (the "Sale Shares") held by such Shareholder or in which he/it was interested immediately prior to his death or bankruptcy or immediately prior to the appointment of the liquidator, administrator or the administrative receiver, and
- (b) must within five Business Days after the later of (i) the Board so requiring or (ii) the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver, execute and deliver to the Company or as it may nominate a transfer of the Sale Shares without restriction. The Board shall decide whether such transfer shall be either to
  - (i) the Company, to the extent such Shares can be lawfully acquired by the Company, or
  - (ii) any other person(s) the Board may so choose,

PROVIDED ALWAYS the Board has received Investor Approval and in respect of (b)(ii) Bank Approval in respect of such a decision

- 7.2 If a transfer notice is deemed to have been given under these articles, the transfer notice will be treated as having specified that the transfer price for the Sale Shares will be the nominal value of such Sale Shares unless the Board with Investor Approval and Bank Approval specifies by notice in writing to the transferor that the transfer price

is to be the Market Value of the Sale Shares in which case it will be such Market Value as determined in accordance with article 8

7 3 A transfer notice constitutes the Company the agent of the relevant transferor for the sale of the Sale Shares at the transfer price determined in accordance with article 7 2 (and article 8 where appropriate)

7 4 If the relevant transferor fails to comply with the provisions of article 7 1 (b) the chairman of the directors or, failing him, one of the directors, or some other person nominated by a resolution of the directors shall on behalf of the relevant transferor,

(a) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the relevant transferee(s) (including without limitation any indemnity for a share certificate believed by the person signing on behalf of the transferor to be lost),

(b) receive the transfer price determined in accordance with article 7 2 (and article 8 where appropriate) and give a good discharge for it and (subject to the transfer being duly stamped) enter the relevant transferee(s) in the register of members as the holder(s) of the Sale Shares applied for by them and procure that such transfer price is paid into a separate bank account in the Company's name on trust (but without interest) for the relevant transferor

## **8. Valuation of Shares**

8 1 In the event that pursuant to article 7 2, the Market Value of the Sale Shares is to be determined pursuant to this article, the directors shall determine the price per Sale Share as they in their absolute discretion (but with Investor Approval) consider to be the fair value per Sale Share and notify the transferor of such price provided that if the Sale Shares include more than one class of share, a different price may apply to each class of share In the event that (within 10 business days after such notification by the directors) the transferor notifies the directors in writing that the transferor does not agree the fair value, the directors shall either

(a) appoint expert valuers as specified in article 8 2 (the "Expert Valuers") to certify what in their opinion is the Market Value of the Sale Shares as at the date the transfer notice has been deemed to be served, or

(b) if the market value of a class of shares comprised in the Sale Shares has been certified by Expert Valuers within the preceding 12 weeks, specify that the market value of the Sale Shares of that class will be calculated by dividing any market value so certified by the number of Shares of that class to which such certified market value related and multiplying such market value by the number of Sale Shares of that class

8 2 The Expert Valuers will be either

(a) the Auditors, or if the Directors so decide,

(b) an independent firm of competent valuers as determined by the Directors

8 3 For the purposes of article 8 1, the Expert Valuers will assume there is a sale of the whole of the issued share capital of the Company for cash between a willing buyer and a willing seller and will take into account all such matters as is considered relevant by the Expert Valuers (including, without limitation, the restrictions and rights of or relating to each class of Shares whether set out in these articles or the Share Award

Agreement but without discounting the value of the Non-Voting Shares by reason of the fact that they do not carry voting rights or that they represent a minority holding)

- 8 4 In so certifying, the Expert Valuers will act as experts and not as arbitrators and their opinions, decisions and certificates will be conclusive and binding
- 8 5 The costs of certification will be borne by the Company unless the Market Value certified by the Expert Valuers is not more than 105% of the price (if any) challenged by the transferor in which event the cost shall be borne by the transferor
- 8 6 If there is more than one class of share included within the Sale Shares, the sum of the market values of the Sale Shares of each class as agreed or determined pursuant to article 7 2 and this article 8 shall equal the Market Value of the Sale Shares

## 9. Drag Along

### 9 1 If at any time

- (a) ELSG enters into an agreement to sell the majority of its Shares in the Company to a purchaser, or
- (b) the Parent Company enters into an agreement to sell the majority of its shares in ELSG to a purchaser, or
- (c) PANV enters into an agreement to sell the majority of its shares in the Parent Company to a purchaser or
- (d) Bridgepoint Capital Limited and/or any funds managed or advised by Bridgepoint Capital Limited enter into an agreement to sell the majority of their shares in PANV to a purchaser, or
- (e) a purchaser otherwise obtains Control of or a Controlling Interest in the Company, ELSG, the Parent Company or PANV as a result of
  - (i) making an offer to acquire the whole of the issued share capital of the Company, ELSG, the Parent Company or PANV which is made on a condition such that, if it is satisfied, the person making the offer will have Control of the Company, ELSG, the Parent Company or PANV (as appropriate), or
  - (ii) a Sale, or
  - (iii) a Court sanctioning a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company, ELSG, the Parent Company or PANV or its amalgamation with any other company or companies under sections 899 or 900 of the Companies Act ("Reconstruction") or, in the case of PANV, any equivalent provisions under Belgian law, other than a Reconstruction in relation to which the Directors resolve with Investor Approval that this Article 9 should not apply,

then the provisions of Article 9 2 shall apply and in this Article 9

#### (iv) the "Dragging Shareholder" means

- (A) in the case of (a) above, ELSG,

- (B) in the case of (b) above, the Parent Company,
  - (C) in the case of (c) above, PANV,
  - (D) in the case of (d) above, Bridgepoint Capital Limited and/or any funds managed or advised by Bridgepoint Capital Limited, or
  - (E) in the case of (e) above any of ELSG, the Parent Company, PANV or Bridgepoint Capital Limited as appropriate,
- (v) the "**Purchaser**" means the purchaser referred to in (a), (b), (c), (d) or (e) above as appropriate and can include one or more purchasers,
  - (vi) the "**Sale Agreement**" means the agreement referred to in Article 9 1 (a), (b) (c) or (d) above as appropriate,
  - (vii) a "**Controlling Stake**" means Control of or a Controlling Interest in the Company, ELSG the Parent Company or PANV as referred to in Article 9 1(e) above, and
  - (viii) a person shall be deemed to have obtained Control of the Company, ELSG, the Parent Company or PANV if he and others Acting in Concert with him have together obtained Control of the Company, ELSG, the Parent Company or PANV (as appropriate)
- 9 2 In the circumstances specified in Article 9 1 the Dragging Shareholder or the Purchaser shall have the right (the "**Drag Along Right**") to require each Non-Voting Shareholder to sell and transfer all his Shares (whether or not they are Restricted Shares) to the Purchaser or as the Purchaser may direct at the price per Share referred in Article 9 4
- 9 3 The Drag Along Right shall be exercisable by either the Dragging Shareholder or the Purchaser giving notice (the "**Drag Along Notice**") to that effect to the Company before or no later than 45 days following the completion of the Sale Agreement or of obtaining the Controlling Stake and service of the Drag Along Notice on the Company shall be deemed to be valid service of such Drag Along Notice on each of the Non-Voting Shareholders The Drag Along Notice shall specify
- (a) that the Non-Voting Shareholder is required to transfer all his Shares pursuant to this Article,
  - (b) the identity of the Purchaser,
  - (c) the proposed minimum price per Share to be paid by the Purchaser for the Non-Voting Shareholder's B Shares and/or C Shares which shall be not be less than the price per Share referred to in Article 9 4 (subject to the variations referred to in Article 9 6), and
  - (d) the proposed place, date and time of completion ("**Completion**") of the purchase of those Shares by the Purchaser (the "**Completion Date**")
- 9 4 The Non-Voting Shareholder shall sell his B Shares and/or C Shares at a price per B Share or C Share which
- (a) where ELSG has agreed to sell its Shares in the Company as referred to in Article 9 1 (a) is not less than the price per share to which the Dragging Shareholder is entitled on a distribution of the Proceeds of Sale pursuant to Article 4 3, or

- (b) where the Parent has agreed to sell its shares in ELSG to a purchaser as referred to in Article 9 1(b) or PANV has agreed to sell its shares in the Parent to a purchaser as referred to in Article 9 1 (c) shall be not less than the minimum price per B Share or C Share determined by and at the absolute discretion of the Directors (but with Investor Approval and Bank Approval) to be the fair value of such B Share or C Share, or
- (c) where Bridgepoint Capital Limited and/or any funds managed or advised by Bridgepoint Capital Limited has or have agreed to sell their shares in PANV to a purchaser as referred to in Article 9 1 (d) shall be not less than the minimum price per B Share or C Share determined by and at the absolute discretion of the Directors (but with Investor Approval and Bank Approval) to be the fair value of such B Share or C Share, or
- (d) where the Purchaser has acquired a Controlling Stake as referred to in Article 9 1(e) and none of paragraphs (a), (b) or (c) of this Article 9 4 apply, the minimum price per B Share or C Share determined by and at the absolute discretion of the Directors (but with Investor Approval and Bank Approval) to be the fair value of such B Share or C Share

9 5 The Drag Along Notice shall be irrevocable but will lapse if either

- (a) the sale of the Dragging Shareholder's shares to the Purchaser does not proceed due to the expiry or non-fulfilment of any conditions pursuant to the Sale Agreement (unless the conditions have been waived in accordance with the terms of the Sale Agreement) or, in a case to which Article 9 4(d) applies, due to the expiry or non-fulfilment of any conditions to the offer or other arrangement pursuant to which the Purchaser was to acquire the Controlling Stake (unless the conditions have been waived in accordance with the terms of the relevant offer or arrangement) or if the sale of the Dragging Shareholder's Shares to the Purchaser does not complete for any other reason, or
- (b) if notices are issued pursuant to the provisions of Chapter 3 of Part 28 of the 2006 Act in respect of the Shares the subject of the Drag Along Notice

9 6 For the purposes of Article 9 4 the following variations in the terms made by the Purchaser to the Dragging Shareholder(s) and the Non-Voting Shareholder(s) shall be permitted

- (a) the Dragging Shareholder(s) giving warranties and indemnities which are not to be given by the Non-Voting Ordinary Shareholder(s),
- (b) the Dragging Shareholder(s) agreeing to leave a percentage (in circumstances where the Non-Voting Ordinary Shareholder(s) is/are not to leave any percentage) or a greater percentage of the consideration for the sale of its shares in an escrow account (or other retention mechanism) than the percentage to be so left by the Non-Voting Ordinary Shareholder(s),
- (c) the Dragging Shareholder(s) giving covenants and undertakings which are not given by the Non-Voting Ordinary Shareholder(s),
- (d) variations in the form of consideration (whether cash, loan notes, shares or other securities) offered to holders of any Shares (including such variations amongst holders of the same class) provided that the Directors determine in their absolute discretion with Investor Approval that the different forms of consideration offered represent fair value for the relevant Non-Voting Ordinary Shareholder('s/s') Shares (of each class) and ignoring any restrictions on

transfer or voting or otherwise on any loan notes, shares or other securities offered

- 9 7 On or before Completion, each Non-Voting Shareholder shall deliver duly executed stock transfer form(s) in respect of his B Share or C Shares, together with the relevant share certificate(s) (or an indemnity in a form satisfactory to the Directors) to the Company
- 9 8 Each Non-Voting Shareholder irrevocably appoints any of the Company (or any of its directors) and/or the relevant Dragging Shareholder (or any of its directors) and/or the Purchaser (or any of its directors) and/or any person nominated for the purpose by the Purchaser to be the Non-Voting Shareholder's attorney and agent to receive any Drag Along Notice on his behalf, to execute all necessary transfer(s) on his behalf and, against receipt by the Company on trust for the Non-Voting Shareholder of the purchase monies or any other consideration payable for the B Share or C Shares of the Non-Voting Shareholder on Completion, to deliver the transfer(s) to the Purchaser or as he may direct and, subject to stamping, the Directors shall without delay register the Purchaser, or such person as he may direct, as the holder of those Shares and, after the Purchaser or his appointee has been registered as the holder, the validity of the proceedings shall not be questioned by any person. It shall be no impediment to registration of Shares under this clause that no share certificate has been produced
- 9 9 Any pre-emption provisions or prohibitions on transfer set out in these Articles (including without limitation Article 6 2) shall not apply in respect of any transfer of shares to the Purchaser (or its nominee) pursuant to this Article 9
- 9 10 For the avoidance of doubt the Drag Along Right shall apply to all B Shares and C Shares held by a Non-Voting Shareholder whether they are Restricted Shares or not
- 9 11 Prior to but with effect from the admission of shares of any parent undertaking of the Company to dealing on the Official List of the London Stock Exchange, the AIM, a Relevant EEA Market or to listing or dealing on any Recognised Stock Exchange, the parent undertaking may serve a Drag Along Notice as though the circumstances within Article 9 1(e) applied and the only applicable condition was the occurrence of such admission and in such case, the Purchaser for the purpose of this Article 9 shall be such parent undertaking or its nominee
- 9 12 The provisions of this Article 9 may be applied after service of a notice by the Board pursuant to Article 7 1 and in circumstances in which this Article and Article 7 could apply in respect of certain Shares the Board may determine that the provisions of this Article will apply to such Shares instead of the provisions of Article 7

## **10. Future Transactions**

- 10 1 The Board shall procure that neither the Company nor any of its wholly owned subsidiaries shall, save with prior Investor Approval
- (a) save in respect of borrowings from the Company's bankers within the limit referred to in article 10 1 (b), create or issue or allow to come into being any charge or encumbrance (save for charges or encumbrances arising in the ordinary course of business) upon any part of its assets or create or issue any debenture or debenture stock,
  - (b) factor any debts or borrow any monies or obtain any credit (other than normal trade credit) if, as a result of such borrowings or credit the aggregate amount of all borrowings of the Company, its subsidiary undertakings and its immediate parent company howsoever arising (other than in the normal course of trading)



would exceed the aggregate of any amounts outstanding at the date hereof or available for drawdown under facilities with Bank of Scotland plc or under any loan notes issued by such companies,

- (c) acquire or agree to acquire any fixed or capital asset or make or agree to make any capital expenditure except for individual items not in excess of £25,000,
- (d) allot or issue any shares or otherwise alter its authorised or issued share capital or capital structure or grant any options or other like rights to acquire any shares or securities convertible shares or make any payment to any person (whether or not a member) for giving up his right to any share capital on its cancellation or extinguishment,
- (e) establish any pension, profit sharing or other incentive scheme or plan for directors and/or employees,
- (f) alter its memoranda or articles of association,
- (g) sell, transfer, lease, assign, grant any licence in respect of, or otherwise dispose of the whole or any part of their undertaking, property or other assets (whether by one transaction or a series of transactions whether related or not) other than the sale of current assets in the ordinary course of trading,
- (h) sell, transfer or otherwise dispose of any wholly owned subsidiary or associated company or any shares or any interest therein,
- (i) give any guarantee or indemnity other than in the ordinary course of trading,
- (j) enter into any transaction or series of transactions requiring approval under sections 190 to 196 of the 2006 Act or which, if the share capital of the Company (or any of its wholly owned subsidiaries) were then listed on the London Stock Exchange would constitute a Class 1 transaction or a transaction with a related party (as defined in the publication entitled "The Listing Rules" issued by the London Stock Exchange),
- (k) make any loan or advance or provide any credit other than normal trade credit or loans to employees not exceeding £2,000 at any one time outstanding in the aggregate,
- (l) subscribe for or acquire any shares, debentures or securities or interest in any other person,
- (m) incorporate or otherwise set up or acquire any subsidiary or associated company or new business or any interest therein or, other than in the ordinary course of business, acquire or dispose of any material assets,
- (n) enter into any joint venture, partnership, consortium or other similar arrangement,
- (o) make any material change in the nature of its business,
- (p) enter into any agreement or other arrangement otherwise than in the ordinary course of trading and on an arm's length basis,
- (q) change any auditor or other professional advisers, or its accounting reference date or its accounting policies,
- (r) appoint or remove any director,

- (s) agree to or accept any variation in the terms of employment of any senior executive as is referred to in article 10 1(t) below (including any increase in emoluments), give any such consent (if any) as is referred to in his contract of employment, waive or agree to take no action in respect of any material breach by any such person of his contract of employment or terminate the employment of any such person,
- (t) employ or agree to employ
  - (i) any senior executive (being an employee whose emoluments and pension benefits shall be at an annual rate in excess of £40,000), or
  - (ii) any person on terms that such employment may not be lawfully terminated by the employer without compensation upon six months' notice or less,
- (u) declare or pay any dividend or make any distribution or agree to capitalise any reserves or apply any amount for the time being standing to the credit of its share premium account or capital redemption reserve,
- (v) take steps to have the relevant company wound up or enter administration unless a licensed insolvency practitioner or legal advisor to the company or the Group shall have advised that such company is required by law to be wound up or must go into administration by reason of insolvency or should go into administration by reason of possible liability of the directors of such company for wrongful trading

## **11 Proceedings at general meetings**

- 11 1 If at a general meeting votes are counted which ought not to have been counted, or are not counted which ought to have been counted, the error will not vitiate the result of the voting unless it is pointed out at the same meeting, and not in that case unless it is, in the opinion of the chairman of the meeting, of sufficient magnitude to affect the result of the voting
- 11 2 A person may participate in a general meeting or a class meeting of the Company by means of a communications system whereby all those participating in the meeting can hear and address each other. The participation will be deemed to constitute presence in person (or by proxy or authorised representative as appropriate) at the meeting and the meeting will be deemed to take place where the largest number of participators is assembled or, if no such group can be identified, at the location of the chairman
- 11 3 Regulation 57 of Table A does not apply. A written resolution of any class of shareholders of the Company may be passed in accordance with the provisions of the 2006 Act
- 11 4 Without prejudice to article 11 3, a matter which has the unanimous assent of each shareholder who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall, to the extent permitted by law, be as effectual as if it had been passed at a general meeting duly convened and held
- 11 5 In the case of an equality of votes, whether on a show of hands or on a poll, no person shall have a second or casting vote

## **12. Proxies**

12 1 An instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a copy duly certified or in some other way approved by the directors may be handed to the chairman of the relevant meeting and regulation 62 of Table A is modified accordingly

12 2 Where the Company has given an electronic address in

- (a) a notice convening a general meeting of the Company, or
- (b) an invitation to appoint a proxy issued by the Company in relation to a general meeting of the Company,

then an appointment of a proxy in relation to that meeting and the power of attorney or other authority, if any, under which the appointment is made (or a duly certified copy of that power or authority) or any other document relating to proxies for that meeting may be sent by electronic means to that electronic address (subject to any conditions or limitations specified in the notice of the meeting) if the document is received at such electronic address not less than 48 hours (excluding days that are not Business Days) before the time for holding the meeting or adjourned meeting Paragraph (a) of regulation 62 of Table A shall not apply and the remaining provisions of that regulation 62 shall be modified accordingly

## **13. Directors**

13 1 Without prejudice to the provisions of these articles, any adult person may be appointed or elected as a director whatever his age, provided that he has attained the age of at least 18 years No director is required to vacate his office by reason of his attaining or having attained the age of seventy years or any other age

13 2 Regulations 76 to 79 (inclusive) of Table A do not apply

13 3 Subject to article 10 1(r) the Company may by ordinary resolution or by resolution of the directors appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director

## **14. Alternate directors**

14 1 A director (other than an alternate director) may appoint another person (including another director) to be an alternate director and may remove from office an alternate director so appointed by him Regulation 65 of Table A does not apply

14 2 An alternate director has the same entitlement to receive notice of meetings as the entitlement of his appointor and has one vote for each director for whom he acts as alternate (in addition to his own vote if he is also a director) but will count as one person only for the purpose of determining whether a quorum is present The first sentence of regulation 66 of Table A is modified accordingly The second sentence of regulation 66 of Table A does not apply

14 3 An alternate director will cease to be an alternate director if his appointor ceases to be a director Regulation 67 of Table A does not apply

14 4 An appointment or removal of an alternate director must be made by notice to the Company from the director making or revoking the appointment or in any other manner approved by the directors Regulation 68 of Table A does not apply

## **15. Vacation of office by directors**

15 1 The office of a director will be vacated if a director

- (a) has a bankruptcy order made in respect of him under Part IX of the Insolvency Act 1986,
- (b) becomes prohibited by law from being a director, or
- (c) resigns his office by written notice to the Company

15 2 Regulation 81 of Table A does not apply

## **16. Directors' interests and proceedings**

16 1 Provided that he has declared to the directors, in accordance with the provisions of these articles, the nature and extent of his interest, a director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind, namely

- (a) where a director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, or arrangement, or transaction with the company or any other undertaking in which the company is in any way interested,
- (b) where a director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement, or transaction with, or in any way interested in, any body corporate promoted by the company or in which the company is in any way interested,
- (c) where a director (or a person connected with him) is a shareholder in, employee, director, member or other officer of, or consultant to, a parent undertaking of, or a subsidiary undertaking of a parent undertaking of, the company (as such terms are defined in section 1162 of the 2006 Act),
- (d) where a director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) under the company or body corporate in which the company is in any way interested,
- (e) where a director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the company or any body corporate in which the company is in any way interested,
- (f) where a director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the company or in which the company is in any way interested of which he is a director, employee or other officer acts) in a professional capacity for the company or any body corporate promoted by the company or in which the company is in any way interested (other than as auditor) whether or not he or it is remunerated for this,
- (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest, or
- (h) any other interest authorised by ordinary resolution

Regulations 85 and 86 shall not apply

16 2 For the purposes of this article, an interest of which a director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his

16 3 In any situation permitted by this article (save as otherwise agreed by him) a director shall not by reason of his office be accountable to the company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit

16 4 Any authority given in accordance with section 175(4)(b) of the 2006 Act in respect of a director ("**Interested Director**") who has proposed that the directors authorise his interest ("**Relevant Interest**") pursuant to that section may, for the avoidance of doubt, only be given subject to obtaining Investor Approval, and

- (a) be given on such terms, and subject to such conditions or limitations as may be imposed by the authorising directors (acting with Investor Approval) as they see fit from time to time, including, without limitation
  - (i) restricting the Interested Director from voting on any resolution put to a meeting of the directors or of a committee of the directors in relation to the Relevant Interest,
  - (ii) restricting the Interested Director from being counted in the quorum at a meeting of the directors or of a committee of the directors where such Relevant Interest is to be discussed, or
  - (iii) restricting the application of the provisions in articles 16 5 and 16 6, so far as is permitted by law, in respect of such Interested Director,
- (b) be withdrawn, or varied at any time by the directors entitled to authorise the Relevant Interest (acting with Investor Approval) as they see fit from time to time, and

an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising directors pursuant to section 174(4)(b) and this article 16

The company has, by ordinary resolution resolved (for the purposes of paragraph 47(3)(b) of schedule 4 to the Companies Act 2006 (Commencement No 5, Transitional Provisions and Savings) Order 2007) that authorisation of conflicts of interest may be given by the directors within section 175(5)(a) of the 2006 Act

16 5 Subject to article 16 6 (and without prejudice to any equitable principle or rule of law which may excuse or release the director from disclosing information, in circumstances where disclosure may otherwise be required under this article), if a director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the company, he shall not be required

- (a) to disclose such information to the company or to the directors, or to any director, officer or employee of the company, or
- (b) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a director

16 6 Where such duty of confidentiality arises out of a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company, article 16 5 shall apply only if the conflict arises out of a

matter which falls within article 16 1 or has been authorised under section 175(5)(a) of the 2006 Act (subject to any restrictions imposed by the authorising directors (acting with Investor Approval))

- 16 7 Where a director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the director may take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the directors (acting with Investor Approval) for the purpose of or in connection with the situation or matter in question, including without limitation
- (a) absenting himself from any discussions, whether in meetings of the directors or otherwise, at which the relevant situation or matter falls to be considered, and
  - (b) excluding himself from documents or information made available to the directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information
- 16 8 Subject to section 182 of the 2006 Act, a director shall declare the nature and extent of any interest permitted by article 16 1 at a meeting of the directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the 2006 Act or in such other manner as the directors may determine, except that no declaration of interest shall be required by a director in relation to an interest
- (a) falling under article 16 1(g),
  - (b) if, or to the extent that, the other directors and Bridgepoint Capital Limited are already aware of such interest (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware), or
  - (c) if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the 2006 Act) that have been or are to be considered by a meeting of the directors, or by a committee of directors appointed for the purpose under these articles
- 16 9 Provided (if these articles so require) that he has declared to the directors, in accordance with the provisions of these articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the directors in authorising a Relevant Interest), a director may vote at a meeting of the directors or of a committee of the directors on any resolution concerning a matter in which he has an interest, whether a direct or indirect interest, or in relation to which he has a duty, and shall also be counted in reckoning whether a quorum is present at such a meeting Regulation 94 of Table A shall not apply
- 16 10 Subject to section 239 of the 2006 Act, the company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this article
- 16 11 For the purposes of this article
- (a) a conflict of interest includes a conflict of interest and duty and a conflict of duties,
  - (b) the provisions of section 252 of the 2006 Act shall determine whether a person is connected with a director, and

- (c) a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified
- 16 12 Notice of every meeting of the directors must in so far as reasonably practicable be given orally (or in writing) to every director and alternate director (whether or not within the United Kingdom), but the accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, a director does not invalidate the proceedings at that meeting Regulation 88 of Table A is modified accordingly
- 16 13 (a) A resolution in writing executed by or on behalf of all the directors entitled to receive notice of a meeting of directors or of a committee of directors is as effectual as if it had been passed at a meeting of the directors or, as the case may be, a committee of directors duly convened and held and may consist of several documents each executed by or on behalf of one or more directors, but a resolution executed by an alternate director need not also be executed by his appointor and, if it is executed by a director who has appointed an alternate director, it need not also be executed by the alternate director in that capacity
- (b) Subject to the provisions of the 2006 Act and where the Company has so agreed (generally or specifically), the confirmation to the Company by the director of his assent to a resolution by electronic means, sent to the electronic address notified by the Company for this purpose, shall constitute a duly executed document for the purposes of article 16 13(a)
- (c) Regulation 93 of Table A does not apply
- 16 14 A director may participate in a meeting of directors by means of a communications system which enables all those participating in the meeting to hear and address each other The participation will be deemed to constitute presence in person at the meeting and the meeting will be deemed to take place where the largest number of participators is assembled or if no such group can be identified at the location of the chairman

## **17. Secretary**

Subject to the provisions of the 2006 Act, the directors may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit, and any secretary so appointed may be removed by them Regulation 99 of Table A shall not apply

## **18. Notices (including notices relating to offers of Shares)**

- 18 1 Subject to the requirements set out in the 2006 Act and subject to article 16 12, any notice given or document sent or supplied to or by any person under these articles, or otherwise sent by the Company under the 2006 Act, may be given, sent or supplied
- (a) in hard copy form, or
  - (b) in electronic form,
- or partly by one of these means and partly by another of these means

Notices shall be given and documents supplied in accordance with the procedures set out in the 2006 Act, except to the extent that a contrary provision is set out in this article 18

*Notices in hard copy form*

18 2 Any notice or other document in hard copy form given or supplied under these articles may be delivered or sent by first class post (airmail if overseas)

- (a) to the Company or any other company at its registered office, or
- (b) to the address notified to or by the Company or other company for that purpose, or
- (c) in the case of an intended recipient who is a Shareholder or his legal personal representative or trustee in bankruptcy, to such Shareholder's address as shown in the Company's register of members, or
- (d) in the case of an intended recipient who is a director or alternate, to his address as shown in the register of directors, or
- (e) to any other address to which any provision of the Companies Acts (as defined in the 2006 Act) authorises the document or information to be sent or supplied, or
- (f) where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in (a) – (e) above, to the intended recipient's last address known to the Company

18 3 Any notice or other document in hard copy form given or supplied under these articles will be deemed to have been served and be effective

- (a) if delivered, at the time of delivery, and
- (b) if posted, on receipt or 48 hours after the time it was posted, whichever occurs first

*Notices in electronic form*

18 4 Subject to the provisions of the 2006 Act, any notice or other document in electronic form given or supplied under these articles may

- (a) if sent by fax or email (provided that a fax number or an address for email has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address,
- (b) if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under article 18 2, or
- (c) be sent by such other electronic means and to such address(es) as the Company may specify by notice (in hard copy or electronic form) to all Shareholders from time to time

18 5 Any notice or other document in electronic form given or supplied under these articles shall be deemed to have been served and be effective



- (a) if sent by facsimile or email (where a fax number or an address for email has been notified to or by the Company for that purpose), on receipt or 48 hours after the time it was sent, whichever occurs first,
- (b) if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first,
- (c) if delivered in an electronic form, at the time of delivery, and
- (d) if sent by any other electronic means as referred to in article 18 5(c), at the time such delivery is deemed to occur under the 2006 Act

18 6 Where the Company is able to show that any notice or other document given or sent under these articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt

#### *General*

18 7 In the case of joint holders of a share all notices must be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding (the "**Primary Holder**") Notice so given constitutes notice to all the joint holders

18 8 Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the 2006 Act or otherwise)

18 9 Regulations 111, 112 and 115 of Table A do not apply

### **19. Winding up**

In regulation 117, the words "with the like sanction" shall be inserted immediately before the words "determine how the division"

### **20. Indemnity**

20 1 Subject to the provisions of and to the fullest extent permitted by the 2006 Act

- (a) the directors may exercise all the powers of the Company to indemnify any person who is, or was at any time a director or other officer (excluding the Auditors) of the Company or any Group Company against all liabilities which he may incur or which may attach to him in or in connection with the performance or purported performance of his duties or the exercise, or the purported exercise, of his powers,
- (b) the directors may exercise all the powers of the Company to provide any director or other officer (excluding the Auditors) of the Company with funds to meet expenditure incurred or to be incurred by him of the kind referred to in sections 205(1)(a) and 206(a) of the 2006 Act and otherwise take any action to enable such director to avoid incurring such expenditure, and

- (c) where the Company or any Group Company is or was at any time a trustee of an occupational pensions scheme (as defined in section 235(6) of the 2006 Act) the directors may exercise all the powers of the Company to indemnify any person who is or was at any time a director of that company against all liabilities incurred by him in connection with that company's activities as trustee of the occupational pension scheme

20 2 Regulation 118 of Table A does not apply

## 21 Insurance

21 1 The directors may exercise all the powers of the Company to purchase and maintain insurance for, or for the benefit of, any person who is or was at any time

- (a) a director of any Relevant Company, or
- (b) a trustee of any pension fund or retirement, death or disability scheme for the benefit of any employee of any Relevant Company or of any employees' share scheme in which employees of any such Relevant Company are interested,

including (without limitation) insurance against any liability referred to in article 20 attaching to him in relation to any Relevant Company, or any such pension fund, retirement or other scheme or employees' share scheme

21 2 In Article 21 1, "**Relevant Company**" means the Company or any other undertaking which is or was at any time

- (a) the holding company of the Company, or
- (b) a subsidiary of the Company or of such holding company, or
- (c) a company in which the Company has an interest (whether direct or indirect)

## **SCHEDULE**

### **Table A: Companies Act 1985**

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**NB** This Table of Contents does not form part of Table A

**COMPANIES ACT 1985 TABLE A**

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**TABLE A**

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**REGULATIONS FOR MANAGEMENT OF A COMPANY LIMITED  
BY SHARES**

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**INTERPRETATION**

**1 In these regulations**

the "**Act**" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force and any provisions of the Companies Act 2006 for the time being in force

the "**articles**" means the articles of the company,

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

"**communication**" means the same as in the Electronic Communications Act 2000,

"**electronic communication**" means the same as in the Electronic Communications Act 2000

"**executed**" includes any mode of execution,

"**office**" means the registered office of the company,

the "**holder**" in relation to shares means the member whose name is entered in the register of members as the holder of the shares,

the "**seal**" means the common seal of the company,

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

the "**United Kingdom**" means Great Britain and Northern Ireland

Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on the company

**SHARE CAPITAL**

**2** 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 company may by ordinary resolution determine

**3** Subject to the provisions of the Act, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the company or the holder on such terms and in such manner as may be provided by the articles

**4** The company may exercise the powers of paying commissions conferred by the Act Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other

- 5 Except as required by law no person shall be recognised by the company as holding any share upon any trust and (except as otherwise provided by the articles or by law) the company shall not be bound by or recognise any interest in any share except an absolute right to the entirety thereof in the holder

#### SHARE CERTIFICATES

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

#### LIEN

- 8 The company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The company's lien on a share shall extend to any amount payable in respect of it.
- 9 The company may sell in such manner as the directors determine any shares on which the company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.
- 10 To give effect to a sale the directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- 11 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

#### CALLS ON SHARES AND FORFEITURE

- 12 Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.
- 13 A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
- 14 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 15 If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in

the notice of the call or, if no rate is fixed at the appropriate rate (as defined by the Act) but the directors may waive payment of the interest wholly or in part

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

#### TRANSFER OF SHARES

- 23 The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and unless the share is fully paid, by or on behalf of the transferee
- 24 The directors may refuse to register the transfer of a share which is not fully paid to a person of whom they do not approve and they may refuse to register the transfer of a share on which the company has a lien. They may also refuse to register a transfer unless
- (a) it is lodged at the office or at such other place as the directors may appoint and is accompanied by the certificate for 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,
  - (b) it is in respect of only one class of shares and
  - (c) it is in favour of not more than four transferees
- 25 If the directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the company send to the transferee notice of the refusal

- 26 The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the directors may determine
- 27 No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share
- 28 The company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given

#### **TRANSMISSION OF SHARES**

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

#### **ALTERATION OF SHARE CAPITAL**

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

#### **PURCHASE OF OWN SHARES**

- 35 Subject to the provisions of the Act, the company may purchase its own shares (including any redeemable shares) and, if it is a private company make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the company or the proceeds of a fresh issue of shares

#### **GENERAL MEETINGS**

- 36 [Repealed]
- 37 The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene a general meeting in accordance with the provisions of the Act If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the company may call a general meeting

#### **NOTICE OF GENERAL MEETINGS**

- 38 General meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety per cent in nominal value of the shares giving that right

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted

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

- 39 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**

- 40 No business shall be transacted at any meeting unless a quorum is present Save in the case of a company with a single member two persons entitled to vote upon the business to be transacted each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum
- 41 If such a quorum is not present within half an hour from the time appointed for the meeting or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine
- 42 The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act he shall be chairman
- 43 If 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 and entitled to vote shall choose one of their number to be chairman
- 44 A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the company
- 45 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted Otherwise it shall not be necessary to give any such notice



- 46 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of the show of hands a poll is duly demanded Subject to the provisions of the Act, a poll may be demanded
- (a) by the chairman, or
  - (b) by at least two members having the right to vote at the meeting, or
  - (c) by a member or members 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 holding shares 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
- and a demand by a person as proxy for a member shall be the same as a demand by the member
- 47 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution
- 48 The demand for a poll may before the poll is taken be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made
- 49 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded
- 50 [Repealed]
- 51 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 either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made
- 52 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken
- 53 [Repealed]

#### VOTES OF MEMBERS

- 54 Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy unless the proxy (in either case) or the representative is himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share of which he is the holder
- 55 In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members
- 56 A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll by his receiver, curator bonis or other person authorised in that behalf appointed by that court and any such receiver, curator bonis or other person may, on a poll, vote by proxy Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with the articles for the deposit of

instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable

57 No member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the company either in person or by proxy in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid

58 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive

59 On a poll votes may be given either personally or by proxy A member may appoint more than one proxy to attend on the same occasion

60 The appointment of a proxy shall be executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve

" PLC/Limited  
I/We, , of , being a member/members of the above-named company  
hereby appoint of , or failing him , as my/our proxy to vote  
in my/our name[s] and on my/our behalf at the general meeting of the company to be held on 200\*, and at any  
adjournment thereof

Signed on 200\* "

61 Where it is desired to afford members an opportunity of instructing the proxy how he shall act the appointment of a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve)

" PLC/Limited  
I/We, , of , being a member/members of the above-named company, hereby appoint  
of , or failing him as my/our proxy to vote in my/our name[s] and on my/our behalf  
at the general meeting of the company to be held on 200\*, and at any adjournment thereof

This form is to be used in respect of the resolutions mentioned below as follows

Resolution No 1 \*for \*against

Resolution No 2 \*for \*against

\*Strike out whichever is not desired

Unless otherwise instructed the proxy may vote as he thinks fit or abstain from voting

Signed this day of 200\* "

62 The appointment of a proxy and any authority under which it is executed or a copy of such authority certified notari ally or in some other way approved by the directors may

(a) in the case of an instrument in writing be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or

(b) in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications

(i) in the notice convening the meeting, or

- (ii) in any instrument of proxy sent out by the company in relation to the meeting, or
- (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the company in relation to the meeting,

be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote,

- (c) in the case of a poll taken more than 48 hours after it is demanded be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll, or
- (d) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director

and an appointment of proxy which is not deposited delivered or received in a manner so permitted shall be invalid

In this regulation and the next, "address", in relation to electronic communications, includes any number or address used for the purposes of such communications

- 63 A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the company at the office or at such other place at which the instrument of proxy was duly deposited or, where the appointment of the proxy was contained in an electronic communication at the address at which such appointment was duly received before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll

#### NUMBER OF DIRECTORS

- 64 Unless otherwise determined by ordinary resolution the number of directors (other than alternate directors) shall not be subject to any maximum but shall be not less than two

#### ALTERNATE DIRECTORS

- 65 Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him
- 66 An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member to attend and vote at any such meeting at which the director appointing him is not personally present and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the company for his services as an alternate director But it shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom
- 67 An alternate director shall cease to be an alternate director if his appointor ceases to be a director, but, if a director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his reappointment
- 68 Any appointment or removal of an alternate director shall be by notice to the company signed by the director making or revoking the appointment or in any other manner approved by the directors
- 69 Save as otherwise provided in the articles an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him

## POWERS OF DIRECTORS

- 70 Subject to the provisions of the Act, the memorandum and the articles and to any directions given by special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the company. No alteration of the memorandum or articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
- 71 The directors may by power of attorney or otherwise, appoint any person to be the agent of the company for such purposes and on such conditions as they determine including authority for the agent to delegate all or any of his powers.

## DELEGATION OF DIRECTORS' POWERS

- 72 The directors may delegate any of their powers to any committee consisting of one or more directors. They may also delegate to any managing director or any director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

## APPOINTMENT AND RETIREMENT OF DIRECTORS

- 73 [Repealed]
- 74 [Repealed]
- 75 [Repealed]
- 76 No person shall be appointed or reappointed a director at any general meeting unless
- (a) he is recommended by the directors, or
  - (b) not less than fourteen nor more than thirty-five clear days before the date appointed for the meeting notice executed by a member qualified to vote at the meeting has been given to the company of the intention to propose that person for appointment or reappointment stating the particulars which would, if he were so appointed or reappointed, be required to be included in the company's register of directors together with notice executed by that person of his willingness to be appointed or reappointed.
- 77 Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person who is recommended by the directors for appointment or reappointment as a director at the meeting or in respect of whom notice has been duly given to the company of the intention to propose him at the meeting for appointment or reappointment as a director. The notice shall give the particulars of that person which would, if he were so appointed or reappointed, be required to be included in the company's register of directors.
- 78 The company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director and may also determine the rotation in which any additional directors are to retire.
- 79 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the articles as the maximum number of directors.
- 80 [Repealed]

## DISQUALIFICATION AND REMOVAL OF DIRECTORS

81 The office of a director shall be vacated if

- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director, or
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally, or
- (c) he is, or may be, suffering from mental disorder and either
  - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
  - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver curator bonis or other person to exercise powers with respect to his property or affairs, or
- (d) he resigns his office by notice to the company, or
- (e) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated

## REMUNERATION OF DIRECTORS

82 The directors shall be entitled to such remuneration as the company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day

## DIRECTORS' EXPENSES

83 The directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the company or otherwise in connection with the discharge of their duties

## DIRECTORS' APPOINTMENTS AND INTERESTS

84 Subject to the provisions of the Act the directors may appoint one or more of their number to the office of managing director or to any other executive office under the company and may enter into an agreement or arrangement with any director for his employment by the company or for the provision by him of any services outside the scope of the ordinary duties of a director Any such appointment agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his services as they think fit Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the company A managing director and a director holding any other executive office shall not be subject to retirement by rotation

85 Subject to the provisions of the Act and provided that he has disclosed to the directors the nature and extent of any material interest of his a director notwithstanding his office

- (a) may be a party to or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise interested,
- (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in any body corporate promoted by the company or in which the company is otherwise interested, and

- (c) shall not, by reason of his office, be accountable to the company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit

86 For the purposes of regulation 85

- (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified, and
- (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his

#### **DIRECTORS' GRATUITIES AND PENSIONS**

87 The directors may provide benefits whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the company or with any body corporate which is or has been a subsidiary of the company or a predecessor in business of the company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit

#### **PROCEEDINGS OF DIRECTORS**

88 Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall call a meeting of the directors. It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.

89 The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

90 The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.

91 The directors may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.

92 All acts done by a meeting of directors or of a committee of directors or by a person acting as a director shall notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.

93 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.

94 Save as otherwise provided by the articles, a director shall not vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the company unless his interest or duty arises only because the case falls within one or more of the following paragraphs

- (a) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of the company or any of its subsidiaries
- (b) the resolution relates to the giving to a third party of a guarantee security, or indemnity in respect of an obligation of the company or any of its subsidiaries for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security,
- (c) his interest arises by virtue of his subscribing or agreeing to subscribe for any shares, debentures or other securities of the company or any of its subsidiaries, or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities by the company or any of its subsidiaries for subscription purchase or exchange,
- (d) the resolution relates in any way to a retirement benefit scheme which has been approved, or is conditional upon approval, by the Board of HM Revenue & Customs for taxation purposes

For the purposes of this regulation an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this regulation becomes binding on the company) connected with a director shall be treated as an interest of the director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise

95 A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote

96 The company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter any provision of the articles prohibiting a director from voting at a meeting of directors or of a committee of directors

97 Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the company or any body corporate in which the company is interested the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment

98 If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive

#### SECRETARY

99 Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit, and any secretary so appointed may be removed by them

#### MINUTES

100 The directors shall cause minutes to be made in books kept for the purpose

- (a) of all appointments of officers made by the directors, and
- (b) of all proceedings at meetings of the company of the holders of any class of shares in the company, and of the directors, and of committees of directors including the names of the directors present at each such meeting

#### THE SEAL

- 101 The seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director.

#### DIVIDENDS

- 102 Subject to the provisions of the Act, the company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.
- 103 Subject to the provisions of the Act, the directors may pay interim dividends if it appears to them that they are justified by the profits of the company available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.
- 104 Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.
- 105 A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.
- 106 Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.
- 107 No dividend or other moneys payable in respect of a share shall bear interest against the company unless otherwise provided by the rights attached to the share.
- 108 Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the company.

#### ACCOUNTS

- 109 No member shall (as such) have any right of inspecting any accounting records or other book or document of the company except as conferred by statute or authorised by the directors or by ordinary resolution of the company.

#### CAPITALISATION OF PROFITS

- 110 The directors may with the authority of an ordinary resolution of the company



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

#### NOTICES

- 111 Any notice to be given to or by any person pursuant to the articles (other than a notice calling a meeting of the directors) shall be in writing or shall be given using electronic communications to an address for the time being notified for that purposes to the person giving the notice

In this regulation, "address" in relation to electronic communications, includes any number or address used for the purpose of such communications

- 112 The company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address or by giving it using electronic communications to an address for the time being notified to the company by the member. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A member whose registered address is not within the United Kingdom and who gives to the company an address within the United Kingdom at which notices may be given to him, or an address to which notices may be sent using electronic communications shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the company

In this regulation and the next "address", in relation to electronic communications, includes any number or address used for the purposes of such communications

- 113 A member present either in person or by proxy at any meeting of the company or of the holders of any class of shares in the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called
- 114 Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members has been duly given to a person from whom he derives his title
- 115 Proof that an envelope containing a notice was properly addressed prepaid and posted shall be conclusive evidence that the notice was given. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or in the case of a notice contained in an electronic communication, at the expiration of 48 hours after the time it was sent
- 116 A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address if any,

within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

#### **WINDING UP**

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

#### **INDEMNITY**

- 118 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.