

Company number 3059235

THE COMPANIES ACT 1985

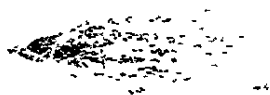
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- OF -

CONNECT M1-A1 HOLDINGS LIMITED

(as adopted by special resolution passed on 28 June 2016)



TUESDAY

COMPANIES HOUSE



L60PWV09

LD3

21/02/2017

#28


DIRECTOR

Company number J059235

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- OF -

CONNECT M1-A1 HOLDINGS LIMITED

1 PRELIMINARY

- 1.1 Except as otherwise provided in these articles, the regulations contained in Table A shall apply to the Company. For the purposes of these articles, Table A means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985, as amended by the Companies (Tables A to F) (Amendment) Regulations 1985

2 DEFINITIONS

2.1 In these articles

"Affiliate" means in relation to any member, any subsidiary undertaking or parent undertaking or any other subsidiary undertaking of that parent undertaking save that -

A in relation to MYL, it means Newco and any subsidiary undertaking of Newco, and

B in relation to IHL it means -

- (a) its Ultimate Parent Undertaking, or
- (b) any subsidiary undertaking (other than IHL) of its Ultimate Parent Undertaking and any subsidiary undertaking of IHL, or
- (c) any partnership, limited partnership or limited liability partnership, unit trust, investment fund, collective investment scheme or any other fund, company or entity of any sort (a "Fund") which
 - (i) IHL or
 - (ii) any of the persons listed in (a) or (b) in relation to IHL,is the general partner, trustee, nominee or manager of, or
- (d) any limited partner of a limited partnership falling within (c) above, or
- (e) any Subsidiary Undertaking of a Fund (that falls within (c) above)

"Connect" means Connect M1 A1 Limited, a wholly owned subsidiary of the Company at the date of adoption of these articles

"Relevant Event" means either

- (a) where any member makes a serious or persistent default in performing and observing any of its obligations under the Shareholders' Agreement and, where such default is capable of remedy, fails to remedy it within 30 days after service of written notice from any other member of such default, or
- (b) any member or the ultimate parent undertaking of any member
 - (i) becomes insolvent or is unable or deemed unable pursuant to Section 123(1)(c) and (2) of the Insolvency Act 1986, to pay its debts or admits in writing that it is unable to pay its debts,
 - (ii) commences negotiations with anyone or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors,
 - (iii) takes any corporate action to appoint or suffers the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of it or all or a material part of its revenues and assets,
 - (iv) has a winding-up or administration order made in relation to it,
 - (v) compounds with or negotiates for any composition with its creditors generally or permits any judgment against it to remain unsatisfied for 7 days, or
 - (vi) is affected in any way in any jurisdiction other than England or Wales by anything equivalent to any of the things referred to in paragraphs (ii) to (v) above

"Shareholders' Agreement" means the shareholders' agreement in the form amended and restated on or around the date of adoption of these articles between (1) M1-A1 Yorkshire Limited ("MYL"), (2) Balfour Beatty plc ("BB"), (3) the Company, (4) Connect, (5) M1-A1 Investments Limited ("Newco") and (6) Infrastructure Investments Holdings Limited ("IHL"), and

"Statutes" means the Act and every other statute, statutory instrument, regulation or order for the time being in force concerning companies registered under the Act

2.2 Unless the contrary intention appears words importing the singular number include the plural number and vice versa, words importing one gender include all genders and words importing persons include bodies corporate and unincorporated associations

2.3 Headings to these articles are inserted for convenience only and shall not affect construction

3 SHARE CAPITAL

3.1 The authorised share capital of the Company at the date of adoption of these articles is £10,000,000 divided into 10,000,000 ordinary shares of £1 each

3.2 The directors are generally and unconditionally authorised, in accordance with section 80 of the Act to exercise all the powers of the Company to allot relevant securities up to a maximum nominal amount of £4,000,000

3.3 The authority contained in paragraph 3.2 shall expire on the day five years after the date of the adoption of these articles but the Company may, before the authority expires make an offer or agreement which would or might require relevant securities to be allotted after it expires

34 Unless otherwise determined by special resolution

- 3 4 1 before allotting any equity securities (as defined in section 94 of the Act) the directors shall offer them for subscription to every person who at the date of the offer is a holder of shares,
- 3 4 2 the offer referred to in sub-paragraph 3 4 1 (the "Offer") shall be made by notice in writing stating the number or amount of equity securities being offered, the price at which the equity securities are offered (the "Offer Price") and any other terms of the Offer;
- 3 4 3 the Offer shall remain open for the period (being not less than 21 days) specified in the notice and, if not accepted within that period, the Offer will be deemed to be declined by the holder concerned,
- 3 4 4 the directors shall allot the equity securities (in the case of competition) to those holders who apply for them in proportion (as far as practicable) to the number of ordinary shares then held by them respectively, but so that an applicant shall not be allotted more shares than the number for which he has applied, and
- 3 4 5 any equity security not taken up under the Offer may (at any time up to three months after the expiry of the Offer) be allotted by the directors at such price (being not less than the Offer Price), on such terms (being no less favourable to the Company than the terms of the Offer), in such manner and to such persons as the directors think fit

3 5 Section 89(1) of the Act (which regulates the power to allot equity securities, as defined in section 94 of the Act) is excluded

3A MEANING OF TERMS IN ARTICLES 4, 4A AND 5

In articles 4, 4A and 5, the following terms have the following meanings unless the context otherwise requires

"Approvals" means

- (a) any necessary approvals required by any competent supranational, governmental or regulatory agencies or authorities,
- (b) any necessary approval of the shareholders of a member or Affiliate in general meeting, and
- (c) the prior approval of the Secretary of State for Transport if required by the terms of the DBFO Contract

"Competing Proportion" means the proportion derived from dividing the number of shares the number of Connect Loan Stock or the principal amount of the Commercial Subordinated Loan Agreement held by a member by the sum of the number of shares, the number of Connect Loan Stock and the principal outstandings of the Commercial Subordinated Loan Agreement (as the case may be) held by the Continuing Shareholders or Losing Shareholders (including that member) to whom an allotment is made pursuant to article 4A(4)

"Commercial Subordinated Loan Agreement" means the commercial subordinated loan agreement among Connect (as borrower) and MYL and BB dated 26 March 1996 as amended and restated on 20 October 1997 and 4 September 2001

"DBFO Contract" means the concession agreement dated 28 March 1996 between the Secretary of State for Transport and Connect requiring Connect to design, build, finance and operate the M1-A1 Link Road (Lofthouse to Bramham) in return for shadow tolls

"Fair Price" means the price which Inc auditors of the Company state in writing to be in their opinion the fair market value of the shares on a sale as between a willing seller and a willing

purchaser (taking no account of whether the shares do or do not carry control of the Company) and, if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so

"MYL" means M1-A1 Yorkshire Limited, whose registered office is at Cannon Place, 78 Cannon Street, London EC4N 6AF

"Newco" means M1-A1 Investments Limited, whose registered office is Cannon Place, 78 Cannon Street, London EC4N 6AF

"Other Shares" means the shares held by members other than the member proposing to Transfer any interest in any share or any right attaching to them

"Ownership Proportion" means the proportion derived from dividing the number of shares the number of Connect Loan Stock or the principal amount of the Commercial Subordinated Loan Agreement held by a member by the total number of shares then on issue, the total number of Connect Loan Stock then on issue and the total principal outstandings of the Commercial Subordinated Loan Agreement (as the case may be)

"Relevant Proportion" means the proportion derived from dividing the number of shares the number of Connect Loan Stock or the principal amount of the Commercial Subordinated Loan Agreement the subject of a Transfer Notice by the total number of shares then on issue the total number of Connect Loan Stock then on issue and the total principal outstandings of the Commercial Subordinated Loan Agreement (as the case may be)

"Transfer" means any sale, transfer, assignment, pledge, charge or other disposal

"Connect Loan Stock" means the £12,000,000 15 per cent secured subordinated loan stock of Connect constituted by a Loan Stock instrument dated 20 March 1996 creating £12,000,000 15 per cent secured subordinated loan stock or, as the case may be, the nominal amount thereof for the time being outstanding

4 TRANSFER OF SHARES

Subject always to the terms of the Shareholders' Agreement

4.1 No member may Transfer any interest in any share or any right attaching to it except

- (a) with the prior written consent of all other members which (together with their Affiliates) hold not less than 90% of the Other Shares, or
- (b) pursuant to a Transfer to an Affiliate in accordance with article 4.5 and article 5, or
- (c) pursuant to a Transfer under article 4.2

Where a member is entitled to Transfer any interest in any share in accordance with article 4.1, such Transfer may be in respect of all or any part of the shares held by that member

4.2 Other than in accordance with articles 4.1(a) and 4.1(b), no member may Transfer its shares

- (a) Not used
- (b) without any prior approval, if required by, and subject to the terms of the DBFO Contract,
- (c) Not used

4.2A Not used

4 3 The members agree, as between themselves, that no member shall attempt to Transfer or agree to Transfer any of its shares (or any interest therein), any Connect Loan Stock (or any interest therein) or any interest in the Commercial Subordinated Loan Agreement except in accordance with the provisions of these articles and the Shareholders' Agreement but, subject to compliance with all of such terms, a Proposing Transferor may transfer its shares without limitation, except that it shall be a condition of any transfer that the transferee agrees by way of deed of adherence to be bound by the obligations under the Shareholders' Agreement by which the transferor is bound

4 4 If a member at any time attempts to Transfer any share, any Connect Loan Stock or any interest in the Commercial Subordinated Loan Agreement otherwise than in accordance with the Shareholders' Agreement, that member shall be deemed immediately before the attempt to have served the Company and the Continuing Shareholders with a Transfer Notice in respect of the shares. The Company shall notify the Continuing Shareholders promptly after receiving actual notice of such of the attempt. The Specified Terms shall incorporate the Fair Price ascertained in accordance with article 4 7 as at the date on which the Company receives actual notice of such attempt by reference to the information available at that time. The Company shall give notice to the Continuing Shareholders as soon as the Fair Price is ascertained. The Transfer Notice shall be deemed to be received by the Continuing Shareholders on receipt of the notice of the Fair Price and the provisions of article 4A shall apply

4 4A Not used

4 5 For the purposes of this article 4 5

"Transferor" means a member which has transferred or proposes to transfer its shares to an Affiliate

"Transferee" means a company holding shares in consequence of a transfer or a series of transfers between Affiliates

"Relevant Shares" means shares acquired by a Transferee pursuant to a transfer or series of transfers to Affiliates and any additional shares issued to that Transferee in exercise of capitalisation or acquired by the Transferee by way of any right or option granted or arising by virtue of any holding of such shares or the membership of the Company thereby conferred

If, while it holds shares, a Transferee ceases (or is about to cease) to be an Affiliate of the Transferor from which the Relevant Shares were derived, then the Transferee shall give a Transfer Notice in respect of those shares and, if the Transferee fails to give a Transfer Notice, it shall be deemed immediately following such event to have served the Company with a Transfer Notice in respect of those shares. Subject to the terms of the Shareholders' Agreement, the parties agree that MYL shall not be a Transferee for the purposes of this paragraph and the provisions of this paragraph (5) shall not require MYL to issue a Transfer Notice if MYL ceases to be an Affiliate of Newco

4 6 Not used

4 7 The auditors of the Company shall be appointed to ascertain the Fair Price at the cost of the Transferee. The Fair Price shall mean the price which the auditors of the Company state in writing to be in their opinion the fair market value of the shares on a sale as between a willing seller and a willing purchaser (taking no account of whether the shares do or do not carry control of the Company). In stating the Fair Price, the auditors shall act as experts and not as arbitrators and their decision shall be final and binding on the parties

4A PRE-EMPTIVE RIGHTS

4A 1 A member who is entitled to Transfer any interest in any share in accordance with article 4 2 shall only be entitled to do so in accordance with this article 4A

4A 1A A member shall only be entitled to Transfer an interest in a share if the Proposing Transferor also proposes to Transfer to the Proposing Transferee

- (a) an amount of Connect Loan Stock equal to the Relevant Proportion of the total amount of Connect Loan Stock, and
- (b) an interest in the Commercial Subordinated Loan Agreement equal to the relevant Proportion of the outstanding principal amount of the Commercial Subordinated Loan Agreement (which Transfer shall take place under and in accordance with the terms of the Commercial Subordinated Loan Agreement).

4A 2 Upon receipt of a bona fide offer to Transfer all or any part of a member's shares by a member ("Proposing Transferor") from any bona fide arms length third party purchaser ("Proposing Transferee"), such member shall within 5 Business Days give notice to the Company copied to all other members ("Continuing Shareholders") of such offer including in such notice

- (a) the percentage of the total number of shares in the Company, Connect Loan Stock and the principal amount of the Commercial Subordinated Loan Agreement which the Proposing Transferee is offering to Transfer ("Offered Interests"),
- (b) the purchase price, and
- (c) the material terms of the offer (including whether any sale is subject to any Approvals)

(such notice hereafter being referred to as the "Transfer Notice" and the terms of such notice hereafter being referred to as the "Specified Terms") The Transfer Notice shall constitute the Company the agent of the Proposing Transferee

4A 3 If a Continuing Shareholder wishes to acquire any of the Offered Interests, it must within 20 Business Days of receipt of the notice referred to in paragraph (2) make a written offer to the Company to acquire the Offered Interests, which offer shall comply with the following conditions

- (a) the Continuing Shareholder must offer to purchase all of the Offered Interests,
- (b) the offer must be on terms that are no worse than the Specified Terms (which for the avoidance of doubt shall be determined taking into account whether any additional or more onerous Approvals are required in respect of the Transfer to the Continuing Shareholder that has offered to acquire the Offered Interests, as compared to those required in respect of the Transfer to the Proposing Transferee), and
- (c) the price offered by the Continuing Shareholders must be greater than or equal to the price offered by the Proposing Transferee, and
- (d) the offer must remain open until allotment of the Offered Interests in accordance with paragraph (4)(c) (provided such offer shall not be required to remain open for a period longer than 40 Business Days after the expiry of the 20 Business Day period referred to above).

4A3 A If a Continuing Shareholder does not wish to acquire any of the Offered Interests and that Continuing Shareholder is a holder of 5 per cent or more of the shares, that Continuing Shareholder may give notice to the Company requesting that article 4(2A) apply within 10 Business Days of receipt of the notice referred to in paragraph (2)

4A 4 On the expiry of the first 20 Business Day period referred to in paragraph (3), the following principles shall apply

- (a) If no offer has been received, the Proposing Transferor may proceed with the Transfer to the Proposing Transferee and the Continuing Shareholders shall have no further rights to acquire the Offered Interests,
- (b) If only one offer has been received, the Offered Interests shall be allotted to that Continuing Shareholder,
- (c) If more than one offer has been received, the following principles shall apply
 - (i) the Company shall determine which offer is the best offer (such determination to take into account the price and terms offered by the Continuing Shareholder, but otherwise be made in the sole and absolute discretion of the Company) and the Company shall notify the Continuing Shareholder or Continuing Shareholders who did not make the best offer ("Losing Shareholders") of the terms of the offer which the Company determines to be the best offer within 15 Business Days of the expiry of the first 20 Business Day period referred to in paragraph (j), and
 - (ii) a Losing Shareholder may, within 5 Business Days of notification of the best offer under paragraph (4)(c)(i), notify the Company that that Losing Shareholder intends to match the terms of the best offer (the determination of whether an offer made by a Losing Shareholder matches the best offer shall take into account the price and terms offered, but otherwise be made in the sole and absolute discretion of the Company),
 - (iii) if
 - (A) the offers made by the Continuing Shareholders under paragraph (4)(c)(i) are substantially the same, or
 - (B) one or more Losing Shareholders matches the terms of the best offer under paragraph (4)(c)(i)

the Company shall notify the Continuing Shareholders or the Losing Shareholders referred to in this paragraph (iii) and such persons shall have the right to make a better offer within 5 Business Days of being notified by the Company (the determination of whether an offer made by a Continuing Shareholder or a Losing Shareholder matches the best offer shall take into account the price and terms offered, but otherwise be made in the sole and absolute discretion of the Company),
 - (iv) If one of the offers made by the Continuing Shareholders or the Losing Shareholders referred to in paragraph (iii) is better than any other (the determination of whether an offer made by a Continuing Shareholder or a Losing Shareholder matches the best offer shall take into account the price and terms offered, but otherwise be made in the sole and absolute discretion of the Company), the Company shall notify the Continuing Shareholders or the Losing Shareholders of the terms of that better offer and the Continuing Shareholders or the Losing Shareholders shall have a further right to match the terms of that better offer within 5 Business Days of being notified by the Company and sub-paragraph (iii) shall apply again,
 - (v) If in any round of offers, the best offer made in the preceding round is not matched or is matched and not bettered and the Continuing Shareholder or Losing Shareholder who made the best offer in the preceding round does not wish to make a further offer (the

determination of whether an offer made by a Continuing Shareholder or a Losing Shareholder matches the best offer shall take into account the price and terms offered, but otherwise be made in the sole and absolute discretion of the Company), the Offered Interests shall be allotted to the Continuing Shareholder or Continuing Shareholders or Losing Shareholder or Losing Shareholders who have made or matched the best offer in their Competing Proportions (any Offered Interests allotted pursuant to this paragraph (4) shall be referred to as "Allotted Interests")

- 4A 5 On any allocation under paragraph (4) being made, the Company shall notify the Proposing Transferor and the Continuing Shareholder to whom any Allotted Interests have been allotted ("Allottee")
- 4A 6 If no Approvals are required in respect of the Transfer of the Allotted Interests, the Allottee shall be bound to pay the purchase price for, and accept a transfer of the Allotted Interests within 10 Business Days of the date of the allotment. Upon receipt of the purchase price, the Proposing Transferor shall be bound to complete the sale of the Allotted Interests to each Allottee
- 4A 7 If any Approvals are required in respect of the Transfer of the Allotted Interests, the Allottee shall be bound to pay the purchase price for, and accept a transfer of the Allotted Interests within such time as is reasonable having regard to the nature of the Approval required (which time period shall not exceed a period of 180 days from the date of the allotment)
- 4A 8 If, at the expiry of the period referred to in paragraph (6) or (7) (as the case may be) any Transfer of the Allotted Interests has not taken place ("Untransferred Interests"), the Company shall notify all the Continuing Shareholders (if any) other than the Allottee (including any Continuing Shareholder that was prohibited from making an offer to acquire Offered Interests under article 4(2A)(c)). Such Continuing Shareholders (including any Continuing Shareholders that were prohibited from making an offer to acquire Offered Interests under article 4(2A)(c)) shall have the right to acquire all (and with the agreement of the Proposing Transferor, any part) of the Untransferred Interests at any price being not less than the price specified in the Specified Terms, provided that the sale and purchase is completed within 40 Business Days of receipt of notification under this paragraph (8)
- 4A 9 At the end of the period referred to in paragraph (8), the Proposing Transferor may within 90 days of the expiry of such period, Transfer and complete the sale and purchase of all or any part of the Untransferred Interests to any person at any price being not less than the price specified in the Specified Terms
- 4A 10 Upon the happening of a Relevant Event in respect of a member ("Defaulting Party"), subject to the terms of the Shareholders' Agreement, a member who is not a Defaulting Party may give notice in writing to the Defaulting Party and the Company whereupon the relevant member shall be deemed to have served a Transfer Notice in respect of all of its shares in accordance with article 4(4)
- 4A 11 If a member shall be deemed to have served a Transfer Notice under article 4(4) paragraph (10) or article 5(3) and its shares have not been purchased by the other members
- (a) each such member and any director nominated by it shall not be entitled or required to vote on any decision of the Company or the board of the Company, and
 - (b) any general meeting or board meeting of the Company which would be quorate but for the absence of such member or director (appointed by it), shall be deemed quorate provided that sub-paragraph (a) shall not apply in relation to an event referred to in sub paragraph (b) of the definition of Relevant Event in article 2(1)

5 TRANSFERS TO AFFILIATES

- 5.1 Any holder of shares may at any time transfer all or part only of those shares to an Affiliate of it, provided that a transferee undertakes to the Company and to the other holders of shares in a form reasonably satisfactory to them that it shall be jointly and severally liable for the obligations of such holder under any agreement existing for the time being between the holders of shares. Notwithstanding the foregoing, this article shall not require Newco to be in any way liable under the Shareholders' Agreement for the obligations of MYL (whether jointly, severally or jointly and severally or otherwise)
- 5.2 If a corporate member holding shares transferred to it under article 5.1 ceases to be an Affiliate of the corporate member who originally held those shares, the corporate member then holding those shares shall without delay notify the Company that such event has occurred and shall give a Transfer Notice in respect of those shares and, if the corporate member fails to give a Transfer Notice, it shall be deemed immediately following such event to have served the Company with a Transfer Notice in respect of those shares. Notwithstanding the foregoing, subject to the Shareholders' Agreement, this article shall not require MYL to issue a Transfer Notice if MYL ceases to be an Affiliate of Newco
- 5.3 If a Transfer Notice is given or deemed to be served on the Company under article 5.2, the provisions of article 4 and 4A shall apply to the shares. The Transfer Notice (if not actually given) shall be deemed immediately before the attempt to have served the Company and the Continuing Shareholders with a Transfer Notice in respect of the shares. The Company shall notify the Continuing Shareholders promptly after receiving actual notice of such of the attempt. The Specified Terms shall incorporate the Fair Price ascertained in accordance with article 4(7) as at the date on which the Company receives actual notice of such attempt by reference to the information available at that time. The Company shall give notice to the Continuing Shareholders as soon as the Fair Price is ascertained. The Transfer Notice shall be deemed to be received by the Continuing Shareholders on receipt of the notice of the Fair Price and the provisions of article 4A shall apply

6 REGISTRATION OF TRANSFERS

- 6.1 The directors shall refuse to register a proposed transfer not made under or permitted by articles 4 or 5
- 6.2 The directors may also refuse to register a transfer of a share on which the Company has a lien
- 6.3 A person executing an instrument of transfer of a share is deemed to remain the holder of the share until the name of the transferee is entered in the register of members of the Company in respect of it.
- 6.4 The first sentence of regulation 24 of Table A shall not apply

7 GENERAL MEETINGS

- 7.1 A general meeting or a meeting of any class of members of the Company may consist of a conference between members some or all of whom are in different places provided that each member who participates is able
- (a) to hear each of the other participating members addressing the meeting, and
 - (b) if he so wishes, to address all of the other participating members simultaneously whether directly, by conference telephone or by any other form of communications equipment (whether in use when these articles are adopted or not) or by a combination of those methods

- 7.2 A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of members required to form a quorum
- 7.3 A meeting held in this way is deemed to take place at the place where the largest group of participating members is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates
- 7.4 A resolution put to the vote of a meeting shall be decided by each member indicating to the chairman (in such manner as the chairman may direct) whether the member votes in favour of or against the resolution or abstains. Regulation 46 of Table A shall be amended accordingly
- 7.5 References in this article to members shall include their duly appointed proxies and in the case of corporate members, their duly authorised representatives
- 7.6 A poll may be demanded at any general meeting by the chairman or by any member present in person or by proxy and entitled to vote. Regulation 46 of Table A shall be amended accordingly
- 7.7 The chairman at any general meeting shall not be entitled to a second or casting vote. Regulation 50 of Table A shall not apply

8 SHAREHOLDERS' RESOLUTIONS

8 Not used

9 VOTES OF MEMBERS

- 9.1 A proxy appointed by a member of the Company under section 372 of the Act may vote on a show of hands as well as on a poll, but no person present shall be entitled to more than one vote on a show of hands. Regulation 54 of Table A shall be amended accordingly
- 9.2 The instrument appointing a proxy and any authority under which it is executed (or such copy of the instrument or the authority or both as the directors may approve) may be deposited at the place where the meeting or adjourned meeting is to be held at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. This provision is in addition and without prejudice to the provisions of paragraphs (a), (b) and (c) of regulation 62 of Table A and the last provision of regulation 62 shall be amended accordingly
- 9.3 The Company shall not do any of the things listed in this sub clause (3) without the prior approval (either in writing or at the relevant general meeting) of the holders of not less than 90 per cent in nominal value of the shares for the time being entitled to attend and vote at general meetings -

- (a) any changes to the Shareholders' Agreement or the articles of association of the Company,
- (b) any changes to the Articles of Association of any subsidiary,
- (c) the creation, allotment or issue of any shares in the capital of the Company or any subsidiary or of any other security, or the grant of any option or rights to subscribe in respect thereof, or convert any instrument into such shares,
- (d) the reduction of capital, variation of rights attaching to any class of shares or any redemption, purchase or other acquisition by the Company or any subsidiary of any shares and other securities of the Company or any subsidiary,
- (e) any material change in the nature of the business of the Company or any subsidiary,

(f) the cessation of any business or operation of the Company or any subsidiary

- (g) the submission of bids for any work or project with a value in excess of £50,000,
- (h) any flotation of the Company or any subsidiary on any stock exchange,
- (i) the approval of, or entry into, by the Company or any subsidiary of any contracts with any Associated Company of any Shareholder other than contracts of a value of less than £50,000 entered into in the ordinary course of business and on arm's length terms,
- (j) save as provided in Clause 17A of the Shareholders' Agreement, the commencement or settlement of any litigation or arbitration of any claims arising out of any Related Contract or any contracts with any Associated Company,
- (k) the acquisition by the Company or any subsidiary of any share capital or other securities of any body corporate,
- (l) the allotment or issue of any shares in the capital of the Company or any wholly owned subsidiary or the grant of any option or rights to subscribe in respect thereof, or the conversion of any instrument into such shares or the transfer of shares in any subsidiary to any person, firm or body corporate which is not a Shareholder at such time,
- (m) any Shareholder making a loan to the Company or any subsidiary otherwise than on such terms as may have been agreed by the Shareholders,
- (n) the acquisition by the Company or any subsidiary of any assets or property (other than in the ordinary course of business) in excess of a total cost to the Company or any subsidiary per transaction of more than £50,000,
- (o) the making of any loan or advance by the Company or any subsidiary in excess of £50,000,
- (p) the sale or disposal of any assets or property of the Company or any subsidiary (other than in the ordinary course of business) in excess of a total price per transaction of £50,000,
- (q) the consolidation or amalgamation of the Company or any subsidiary with any other company,
- (r) the disposal of or dilution of the Company or any subsidiary's interests, directly or indirectly, in any of its Associated Companies,
- (s) the adoption of any bonus or profit-sharing scheme or share option or share incentive scheme or employee share trust or share ownership plan,
- (t) the winding up of the Company,
- (u) any change in the Company or any subsidiary's respective accounting reference dates,
- (v) paying any fees or emoluments to the Company's Directors other than as otherwise permitted by this agreement,
- (w) the giving of any guarantee, indemnity or assurance or the like,
- (x) the making of any tax elections except as provided in this agreement,
- (y) subject to Clause 17A of the Shareholders' Agreement, entering into or amending or varying or terminating any material contract or commitment or pay

any management or other fee other than in the ordinary and proper course of business on arm's length terms,

- (z) subject to Clause 17A of the Shareholders' Agreement, entering into or amending or varying or terminating any Related Contract or other agreement, transaction or arrangement with any of the Shareholders or with any person connected with them within the meaning of Section 1122 of Corporation Tax Act 2010,
- (aa) entering into or amending or varying or terminating any loan agreement or other financing agreement or incurring commitments of a like nature which shall include without limitation agreements for the leasing, hire purchase or purchase on deferred terms of any asset, making alterations to any such agreement as is entered into or making drawings or pre-payments thereunder,
- (bb) entering into or amending or varying or terminating any joint venture, partnership or profit-sharing agreement with any other person,
- (cc) changing its registered office,
- (dd) acquiring any interest in land,
- (ee) changing any bank mandates, appointing bankers, financial advisors or legal advisors,

9.4 In determining whether any of the matters described above require the approval of the shareholders as aforesaid a series of transactions which when aggregated exceed the figure specified in the relevant paragraph shall be construed as a single transaction requiring such approval

10 DIRECTORS

- 10.1 The directors (other than alternate directors) shall not, unless otherwise determined by an ordinary resolution of the Company, be less than two in number and shall not be more than six in number
- 10.2 Each holder of shares shall be entitled to appoint two directors. Each holder of shares shall be entitled to remove any director appointed by it and appoint another person as a director in his place. Each Director shall be entitled to appoint an alternate
- 10.3 The directors shall not be subject to retirement by rotation and regulations 73 to 80 (inclusive) of Table A shall not apply
- 10.4 No director shall vacate his office or be ineligible for re-appointment as a director nor shall any person be ineligible for appointment as a director, by reason only of his having attained a particular age
- 10.5 No special notice is required of any resolution appointing or approving the appointment of such a director nor is any notice required to state the age of the person to whom the resolution relates

11 ALTERNATE DIRECTORS

- 11.1 Any director may appoint any person to act as an alternate director
- 11.2 An alternate director shall be entitled to receive notice of all meetings of directors, to attend and to vote at any such meeting at which the director appointing him is not personally present and at that meeting to exercise and discharge all the functions powers and duties of his appointor as a director. And for the purposes of the proceedings at that meeting the provisions of the 10th Article shall apply as if he was a director. Regulation 66 of Table A shall not apply

11 3 Every person acting as an alternate director shall have the same number of votes and shall count for the purpose of determining whether a quorum is present in the same way as the director for whom he acts as alternate. The last sentence of each of regulations 88 and 89 of Table A shall not apply.

11 4 Any person appointed as an alternate director shall vacate his office as an alternate director if the director by whom he has been appointed ceases to be a director or removes him or on the happening of any event which, if he is or were a director causes or would cause him to vacate that office. Regulation 67 of Table A shall not apply.

11 5 An alternate director shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of the director appointing him. Regulation 69 of Table A shall not apply.

12 POWERS OF DIRECTORS

12 1 The powers of the directors mentioned in regulation 87 of Table A shall be exercisable as if the word "executive" (which appears before the word "office") were deleted.

12 2 Without prejudice to any other of their powers, the directors may exercise any of the powers conferred by the Statutes to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any of its subsidiaries.

12 3 Each director or, if a holder of ordinary shares has appointed more than one director in accordance with article 10 2, the director specified from time to time by that shareholder by written notice to the board as being entitled to vote, shall at any meeting of the board be entitled to cast one vote.

12 4 All matters considered by the board shall be decided by unanimous vote.

12 5 Not used.

13 PROCEEDINGS OF DIRECTORS

13 1 Provided that he has disclosed to the directors the nature and extent of any material interest of his, a director may vote as a director on a resolution concerning any matter in which he has, directly or indirectly, an interest or duty and, if he votes, his vote be counted and he shall be counted in the quorum when that resolution or matter is under consideration. Regulations 94 to 96 (inclusive) of Table A shall not apply.

13 2 A director shall be deemed to have disclosed the nature and extent of his interest to the extent such arises by reason of his being a director, officer, employee, agent shareholder or appointee of Connect or of any member (or of any of a member's Affiliates).

13 3 Unless otherwise agreed by all of the directors, meetings of the board of directors of the Company shall be held at intervals of not less than twice in every year and, unless agreed by 1 Director appointed by each shareholder, not less than ten Business Days' written notice shall be given to each of the directors (and any alternate directors) of all meetings of the board at the address notified from time to time by each director to the secretary of the Company. Regulation 96 of Table A shall be amended accordingly.

13 4 The quorum for a meeting of the directors shall be one appointee from each of the holders of shares entitled to appoint a director under article 10(2). If any meeting is adjourned for want of a quorum, not less than seven days' (or such other period as shall be agreed by all the Directors) written notice of the adjourned meeting shall be given to all the Directors and at the adjourned meeting the quorum shall be one appointee from each of two members. The first sentence of regulation 89 of Table A shall not apply.

- 13 5 In the case of an equality of votes at any meeting of the directors, the chairman of the meeting shall not have a second or casting vote Regulation 88 of Table A shall be amended accordingly
- 13 6 Regulation 93 of Table A (written resolutions of directors) shall apply as if the word "signed" included "approved by letter, facsimile, telegram or telex"
- 13 7 A meeting of the directors may consist of a conference between directors some or all of whom are in different places provided that each director who participates is able
- (a) to hear each of the other participating directors addressing the meeting and
 - (b) if he so wishes, to address all of the other participating directors simultaneously
- whether directly, by conference telephone or by any other form of communications equipment (whether in use when these articles are adopted or not) or by a combination of those methods
- 13 8 A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of directors required to form a quorum, subject to the provisions of articles 4 12 and 13
- 13 9 A meeting held in this way is deemed to take place at the place where the largest group of participating directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates
- 13 10 Any non-executive director appointed to the board of directors shall not be entitled to vote on a resolution of directors

14 EXECUTIVE DIRECTORS

14 Not used

15 SEAL

- 15 1 The Company may exercise the powers conferred by the Statutes with regard to having official seals and those powers shall be vested in the directors
- 15 2 The directors shall provide for the safe custody of every seal which the Company may have
- 15 3 A seal shall be used only by the authority of the directors or a duly authorised committee but that authority may consist of an instruction or approval given by letter facsimile, telegram, telex or telephone by a majority of the directors or of the members of a duly authorised committee
- 15 4 The directors may determine who shall sign any instrument to which a seal is applied, either generally or in relation to a particular instrument or type of instrument, and may also determine, either generally or in any particular case, that such signatures shall be dispensed with or affixed by some mechanical means
- 15 5 Unless otherwise decided by the directors
- (a) certificates for shares, debentures or other securities of the Company to which a seal is applied need not be signed, and
 - (b) every instrument to which a seal is applied shall be signed by at least one director and the secretary or by at least two directors
- 15 6 Regulation 6 of Table A shall be amended accordingly Regulation 101 of Table A shall not apply

16 NOTICES

- 16 1 The Company may give any notice to a member either personally or by sending it by prepaid first class post with recorded delivery addressed to the intended recipient at his registered address or by leaving it at that address. 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.
- 16 2 Regulation 112 of Table A shall not apply and regulation 116 shall apply as if the words "within the United Kingdom" did not appear
- 16 3 Proof that an envelope containing a notice was properly addressed, prepaid and posted (by first class post, where available) shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiry of 24 hours after the envelope containing it was posted or, in the case of facsimile transmission, when despatched
- 16 4 Regulation 115 of Table A shall not apply

17 INDEMNITY

- 17 1 Subject to the provisions of and to the extent permitted by the Statutes, every director, other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office but
- (a) this indemnity shall not apply to any liability to the extent that it is recovered from any other person, and
- (b) the indemnity is subject to such officer or auditor taking all reasonable steps to effect such recovery, so that the indemnity shall not apply to the extent that an alternative right of recovery is capable of being enforced
- 17 2 Regulation 118 of Table A shall not apply