

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

**ARTICLES OF ASSOCIATION
OF
ACS CONSTRUCTION MIDLANDS LIMITED**

(Adopted by special resolution passed on)

Company Number: 06197596
Date of Incorporation: 2nd April 2007



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Ref: PL/1035197.001

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AGREED TERMS

1. INTERPRETATION

1.1 In these Articles, the following words have the following meanings:

Act: the Companies Act 2006;

appointor: has the meaning given in article 10.1;

Articles: the Company's articles of association for the time being in force;

A Ordinary Shares: the A Ordinary Shares of £1.00 each in the capital of the Company designated as the A Ordinary Shares;

A Shareholder: a holder of A Ordinary Shares.

B Ordinary Shares: the B Ordinary Shares of £1.00 in the capital of the Company designated as the B Ordinary Shares;

B Shareholder: a holder of B Ordinary Shares.

Business Day: any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

Company's Accountants: the firm of accountants who prepared the last set of accounts on behalf of the Company as filed at Companies House;

Controlling Interest: an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

C Ordinary Shares: the C Ordinary Shares of £1.00 in the capital of the Company designated as the C Ordinary Shares;

C Shareholder: a holder of C Ordinary Shares.

Defaulting Shareholder: means a Shareholder who:

- (a) commits a material or persistent breach of these Articles; or
- (b) commits a material or persistent breach of any shareholders agreement relating to the Company or of any employment contract/service agreement with the Company; or
- (c) is in breach of his statutory or fiduciary duties as a director of a Group Company;
which (in each case referred to in (a) to (c) above) if capable of remedy has not been so remedied within 10 Business Days of the directors of the Company requiring such remedy; or
- (d) being engaged by the Company as an employee or as a contractor, ceases to be engaged for whatever reason;
- (e) dies;
- (f) has a bankruptcy order made against him;
- (g) lacks capacity under section 2 of the Mental Capacity Act 2005 to make decisions; or
- (h) in the case of a D Shareholder, where her Spouse is a Defaulting Shareholder.

D Ordinary Shares: the D Ordinary Shares of £1.00 in the capital of the Company designated as the D Ordinary Shares.

D Shareholder: a holder of D Ordinary Shares.

Eligible Director: a director who would be entitled to vote on the matter at a meeting of directors;

Group Company: means the Company and any holding company or the subsidiaries of either of them from time to time (as defined in Section 1159 of the Companies Act 2006)

Key Shareholder: the holders of the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares.

Model Articles: the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) as amended prior to the date of adoption of these Articles;

Sale Shares: the shares specified or deemed to be specified for sale in a Transfer Notice.

Shareholders: the shareholders in the Company from time to time.

Shares: shares in the share capital of the Company.

Spouse: spouse or former spouse.

Transfer Notice: a notice in writing given by any shareholder to the Company where the shareholder desires, or is required by these Articles, to transfer (or enter into an agreement to transfer) any shares. Where such notice is deemed to have been served, it shall be referred to as a

Deemed Transfer Notice

Writing or written: the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.6 Save as expressly provided otherwise in these Articles, any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.
- 1.7 A person is "connected" to another person within the meaning given in S.1122 of the Corporation Tax Act 2010.

2. ADOPTION OF THE MODEL ARTICLES

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors and the secretary)" before the words "properly incur".
- 2.3 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".

- 2.4 Articles 31(1)(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide".

DIRECTORS

3. DIRECTORS' MEETINGS

- 3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with article 54.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 If at any time at or before any meeting of the directors or of any committee of the directors the chairman should request that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other directors to participate or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made.
- 3.4 The provisions of article 7 shall apply equally to meetings of any committee of the directors as to meetings of the directors.

4. DECISIONS OF DIRECTORS

- 4.1 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors or committee of the directors shall be decided by a majority of votes.

5. UNANIMOUS DECISIONS OF DIRECTORS

- 5.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 5.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 5.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter in accordance with article 7.

6. NUMBER OF DIRECTORS

The maximum and minimum number of directors may be determined from time to time by ordinary resolution of the members. In the absence of such a determination, there shall be no minimum and no maximum number of directors. No shareholding qualification for directors shall be required.

7. QUORUM FOR DIRECTORS' MEETINGS

7.1 Subject to article 7.2, the quorum for any meeting (or, where specified below, part of a meeting) of the directors shall be two eligible directors. If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the directors determine.

7.2 If the Company only has one director for the time being, that director may (for so long as he remains the sole director) take decisions without regard to any of the provision of the articles relating to directors' decision making.

8. CHAIRING OF DIRECTORS' MEETINGS

The chairman of the directors will be appointed (and removed) by the holders of a majority of the Shares. The chairman shall not have a casting vote on any decisions of the directors.

9. APPOINTMENT AND REMOVAL OF DIRECTORS

9.1 Subject to articles 9.2 and 9.3 below, no director may be appointed to or removed from office save with the consent of the holders of a majority of the Shares.

9.2 Any director may at any time be removed from office by the holders of a majority of the Shares.

9.3 A person shall cease to be a director if he is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other directors resolve that he cease to be a director.

10. ALTERNATE DIRECTORS

10.1 Any director (other than an alternate director) (in this article, **the appointor**) may appoint any person (whether or not a director) to be an alternate director to exercise that director's powers, and carry out that director's responsibilities, in relation to the taking of decisions by the directors, in the absence of the alternate's appointor. In these Articles, where the context so permits, the term "director" shall include an alternate director appointed by a director. A person may be appointed an alternate director by more than one director provided that each of his appointors represents the same class of shares but not otherwise.

- 10.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.
- 10.3 The notice must:
- (a) identify the proposed alternate; and
 - (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.
- 10.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's appointor.
- 10.5 Except as the Articles specify otherwise, alternate directors:
- (a) are deemed for all purposes to be directors;
 - (b) are liable for their own acts and omissions;
 - (c) are subject to the same restrictions as their appointors; and
 - (d) are not deemed to be agents of or for their appointors,
- and, in particular (without limitation), each 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.
- 10.6 A person who is an alternate director but not a director:
- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating); and
 - (b) may participate in a unanimous decision of the directors (but only if his appointor is an Eligible Director in relation to that decision, and does not himself participate).
- 10.7 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an Eligible Director in relation to that decision).
- 10.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's appointor as the appointor may by notice in writing to the Company from time to time direct.
- 10.9 An alternate director's appointment as an alternate will terminate:
- (a) when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

- (b) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
- (c) when the alternate director's appointor ceases to be a director for whatever reason; or
- (d) if the holders of a majority of the Voting Ordinary Shares revoke the appointment by notice to the Company in writing.

11. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
- (b) shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested;
- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested;
- (d) may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, anybody corporate in which the company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

12. DIRECTORS' CONFLICTS OF INTEREST

- 12.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director

(an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

12.2 Any authorisation under this article 12 will be effective only if:

- (a) the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

12.3 Any authorisation of a Conflict under this article 12 may (whether at the time of giving the authorisation or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
- (c) provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors vote in relation to any resolution related to the Conflict;
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.

12.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

12.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.

12.6 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:

- (a) disclose such information to the directors or to any director or other officer or employee of the company; or
- (b) use or apply any such information in performing his duties as a director,

where to do so would amount to a breach of that confidence.

12.7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

13. SHARE CAPITAL

13.1 Except as otherwise provided in these Articles, the A Ordinary Shares, the B ordinary Shares, the C Ordinary Shares and the D Ordinary Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.

13.2 Rights as to transfer

No share may be transferred save with the written consent of the holders of all of the Shares or in accordance with articles 14 to 17 below.

13.3 Rights as to dividends

Dividends may be declared on such classes of shares and in such amounts as the directors in their absolute discretion shall determine and for the avoidance of doubt, different dividends may be declared between different classes of shares.

13.4 Rights as to capital

The A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares and the D Ordinary Shares shall confer equal rights to participate in a distribution of assets on a winding up of the Company or in any other return of capital.

13.5 Rights of redemption

None of the Shares have any right to be redeemed.

13.6 Rights as to voting

Each of the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares and the D Ordinary Shares shall confer an equal right to attend and vote at a general meeting of the Company.

13.7 Variation of rights

No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the Company shall mutadis mutandis apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.

13.8 Each of the following shall be deemed to constitute a variation of the rights attached to each class of shares:

- (a) any alteration in the Articles in respect of the rights attached to the class of share concerned; and
- (b) any reduction, subdivision, consolidation, redenomination, purchase or redemption by the Company of its own shares in respect of the class of share concerned or other alteration in the share capital of the Company in respect of the class of share concerned or any of the rights attaching to the class of share concerned.

13.9 On the transfer of any Shares:

- (a) a share transferred to a non-shareholder shall remain of the same class as before the transfer; and
- (b) a share transferred to a shareholder shall automatically be redesignated on transfer as a share of the same class as those shares already held by the shareholder unless agreed to the contrary by all of the Shareholders.

If no shares of a class remain in issue following a redesignation under this article, these Articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, shareholders of that class or directors appointed by that class.

14. VOLUNTARY TRANSFER OF SHARES

- 14.1 In this article, references to a transfer of a share include the transfer or assignment of a beneficial or other interest in that share or the creation of a trust or encumbrance over that share and reference to a share includes a beneficial or other interest in a share.
- 14.2 Subject to article 14.14 and 14.15, any person (**Seller**) proposing to transfer any shares shall, before transferring or agreeing to transfer any shares, give a Transfer Notice to the Company specifying:
- (a) the number of shares to be Transferred (**Sale Shares**);
 - (b) if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed transferee or if to a pre existing shareholder the identity of that shareholder
 - (c) the price (in cash) per share at which he wishes to transfer the Sale Shares; and
 - (d) whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to shareholders (**Minimum Transfer Condition**).
- 14.3 Once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn without the consent in writing of all of the shareholders other than the Seller.
- 14.4 A Transfer Notice appoints the Company the agent of the Seller for the sale of the Sale Shares.
- 14.5 As soon as practicable following the receipt of a Transfer Notice, the Board shall offer the Sale Shares for sale to the shareholders in the manner set out in Article 14.6. Each offer shall be in writing and give details of the number of the Sale Shares offered and the price per share set out in the Transfer Notice as required by Article 14.2 (c).
- 14.6 Subject to Article 14.14, the directors shall by notice in writing (**Offer Notice**) offer the Sale Shares, where the Sale Shares are to the holders of the Shares, other than the Seller (**Continuing Shareholders**) in accordance with Article 14.5 as nearly as may be in proportion to the number of shares held by them, inviting them to apply in writing within 28 Business Days of the date of the offer (**First Offer Period**) for the maximum number of Sale Shares they wish to buy provided that if a certificate of Fair Value is requested under Article 14.7 the First Offer Period shall be extended and remain open for a period of 14 Business Days after the date on which the Transfer Price Notice (as defined in Article 14.7) is sent to the shareholders or until the expiry of the First Offer Period, whichever shall be the later.

If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under this Article 14.6 and Article 14.8 shall be conditional on the fulfilment of the Minimum Transfer Condition.

If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the directors shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which his existing holding of shares bears to the total number of shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.

If, at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the directors shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (**Initial Surplus Shares**) shall be dealt with in accordance with Article 14.8.

- 14.7 Any shareholder may, not later than 10 Business Days after the date of the Offer Notice, serve on the directors a notice in writing requesting that the Company's Accountants (or at the discretion of the Company's Accountants, or if there are no Company's Accountants, a person nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales) certify in writing the sum which in his opinion represents the fair value (**Fair Value**) of Sale Shares (**Certificate**) and for the purposes of this clause reference to the Company's Accountants shall include any person so nominated. Upon receipt of such notice the directors shall instruct the Company's Accountants to certify as aforesaid and the costs of such valuation shall be apportioned among the Seller and the Continuing Shareholders or borne by any one or more of them as the Company's Accountant in his absolute discretion shall decide. In certifying the Fair Value as aforesaid the Company's Accountants shall be considered to be acting as an expert and not as an arbitrator and accordingly any provisions of law or statute relating to arbitration shall not apply. The Company's Accountant shall be entitled to consider representations from the shareholders as to the Fair Value. Upon receipt of the Certificate, the directors shall by notice in writing (**Transfer Price Notice**) inform all shareholders of the Fair Value of each Sale Share and of the price per share (being the lower of the price specified in the Transfer Notice pursuant to Article 14.2(c) and the Fair Value) at which the Sale Shares are offered for sale (**Transfer Price**). For the purpose of this Article, the Fair Value of each Sale Share shall be its value as a rateable proportion of the total value of all the issued Shares of the Company and shall not be discounted or enhanced by reference to the number of shares referred to in the Transfer Notice and shall be valued as on an arm's length basis between a willing vendor and a willing purchaser of the business as a going concern.

- 14.8 At the end of the First Offer Period, the directors shall offer the Initial Surplus shares to all the Continuing Shareholders, inviting them to apply in writing within 28 Business Days of the date of the offer (**Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.

If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the directors shall allocate the remaining Initial Surplus

Shares to each Continuing Shareholder who has applied for Initial Surplus Shares in the proportion that his existing holding of Shares (including any Sale shares) bears to the total number of shares (including any Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Continuing Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.

If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the directors shall allocate the Initial Surplus shares to the Continuing Shareholders in accordance with their applications. The balance (**Second Surplus Shares**) shall be dealt with in accordance with Article 14.12.

- 14.9 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for is less than the number of Sale Shares specified in the Minimum Transfer Condition, the directors shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Article 14.6 and Article 14.8, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

If:

- (a) the Transfer Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the Transfer Notice does not include a Minimum Transfer Condition; and
- (b) allocations under Article 14.6 and, if necessary, Article 14.8 have been made in respect of some or all of the Sale Shares,

the directors shall give written notice of allocation (**Allocation Notice**) to the Seller and each Continuing Shareholder to whom Sale Shares have been allocated (**Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him (**Consideration**) and the place and time for completion of the transfer of the Sale Shares (which shall be not more than 45 Business Days after the date of the Allocation Notice) (**Completion Date**).

- 14.10 The Consideration shall be paid by each Applicant as follows:

- (a) as to 50%, on the Completion Date (**Initial Payment**); and
- (b) as to the remaining 50% (**Deferred Payment**) on the date which is six calendar months after the Completion Date (**Deferred Payment Date**).

In the event of default, interest shall accrue on a daily basis from the date when payment becomes due until the date of payment at the rate of 8% per annum and shall be payable on demand.

- 14.11 On the service of an Allocation Notice, the Seller shall, against payment of the Initial Payment, transfer the Sale Shares allocated in accordance with the requirements specified in the Allocation Notice.

If the Seller fails to comply with the requirements of the Allocation Notice:

- (a) the Chairman of the Company (or, failing him, some other person nominated by a resolution of the directors) may, on behalf of the Seller:
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (ii) receive the Initial Payment and give a good discharge for it; and
 - (iii) (subject to the transfers being duly stamped) enter the Applicants in the register of shareholders as the holders of the Sale Shares purchased by them; and
 - (b) the Company shall pay the Consideration (or any of it) into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate for the relevant shares (or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate, together with such other evidence (if any) as the directors may reasonably require to prove good title to those shares) to the Company.
- 14.12 If an Allocation Notice does not relate to all of the Sale Shares then, subject to Article 14.13 and within 20 Business Days following service of the Allocation Notice, the Seller may transfer the Second Surplus Shares to any person at a price at least equal to the Transfer Price.
- 14.13 The Seller's right to transfer shares under Article 14.12 does not apply if the directors reasonably consider that:
- (a) the transferee is a person (or a nominee for a person) who is a competitor (or an associate of a competitor) of the business of the Company; or
 - (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
 - (c) the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the Board to enable it to form the opinion mentioned above.
- 14.14 If the directors agree that the Company can comply with the relevant provisions of the Companies Act 2006 relating to share buy-backs, the shareholders may procure that the Company shall, in priority to the Continuing Shareholders, exercise the right referred to in Article 14.6 to acquire any

shares contained in the Transfer Notice, in which case the directors shall be at liberty to request that the Company's Accountants certify a Fair Value in accordance with Article 14.7 or serve an Allocation Notice directly on the Seller. If no such action is taken by the Directors within 10 Business Days after the receipt by the Company of the Transfer Notice, the Company shall issue the Offer Notices pursuant to Article 14.6 and the Continuing shareholders shall have the option to acquire the shares.

14.15 The provisions of this article 14 shall not apply to a transfer or transmission:

- (a) of any shares made with the written consent of or pursuant to an agreement between all of the Shareholders; or
- (b) of any shares made in accordance with the provisions of any Shareholders Agreement to which all of the Shareholders are party.

14.16 The D Ordinary Shares may be transferred to a C Shareholder at any time without restriction, provided neither the C Shareholder nor the D Shareholder is, at the time, a Defaulting Shareholder.

15. COMPULSORY TRANSFERS OF SHARES

A Defaulting Shareholder shall be deemed to have served a Transfer Notice in respect of all the Shares held by him at such time as the directors may determine in the period of 12 months following full details of the relevant event of default first coming to the attention of the directors of the Company. In such circumstances the Transfer Price shall be the Fair Value of the Sale Shares, calculated and determined in accordance with article 14.7.

16. BRING ALONG

16.1 If shareholders representing more than 75 per cent of the Shares shall receive a bona fide offer from a third party to acquire all the shares held by them (Selling Shareholders) then the Selling Shareholders shall have the option (Bring Along Option) to require any other shareholders (Bring Along Shareholders) to transfer all their shares to the third party purchaser or as the third party purchaser shall direct in accordance with the remaining provisions of this Article 16 and upon the same terms as those on which the third party is acquiring the Selling Shareholders' shares and for the avoidance of doubt the provisions of Article 14 shall not apply to such proposed sale or transfer.

16.2 The Selling Shareholders shall exercise the Bring Along Option by giving notice to that effect (Bring Along Option) to all the Bring Along Shareholders at any time before the transfer of the Selling shareholders' shares to a third party purchase. A Bring Along Notice shall specify that the Bring Along Shareholders are required to transfer all their shares (Remaining Shares) pursuant to

this Article 16 to the third party purchaser, the price at which the Remaining Shares are to be transferred and the proposed date of transfer. A Bring Along Notice shall be irrevocable unless the third party purchaser refuses to acquire the Remaining Shares on the terms of this Article 16 in which case the Bring Along Shareholders shall be under no obligation to sell their shares to such third party purchase under the provisions of this Article 16.

- 16.3 The Bring Along Shareholders shall be obliged to sell the Remaining Shares at the price specified in the Bring Along Notice and complete of the sale and purchase shall take place on the same date as the date proposed for completion of the sale of the Selling Shareholders' shares.
- 16.4 Each of the Bring Along Shareholders shall on service of the Bring Along Notice be deemed to have appointed any of the Selling Shareholders (as the Selling Shareholders shall at their sole discretion determine) as his attorney to execute any stock transfer form to do any such other things as may be necessary or desirable to accept, transfer and complete the sales of the Remaining Shares to the third party purchaser pursuant to this Article 16.

17. TAG ALONG

- 17.1 Subject to article 14.14 no sale or transfer or other disposition of any interest in the shares shall have any effect if it were to result in a third party purchaser holding 75 per cent of the Shares unless before a transfer is lodged for registration the third party purchaser has made a bona fide offer in accordance with this Article 17 to purchase at the specified price (as defined below) all the shares held by the shareholders whose shares are not included in more than 85 per cent of the Ordinary Shares acquired by such a third party purchaser (Other Shareholders).
- 17.2 An offer made under article 17.1 shall be notified in writing to the Other Shareholders, be open for acceptance for at least 17 Business Days and be deemed to have been rejected by any shareholder who has not accepted it in accordance with its terms within the time period prescribed for acceptance and the consideration thereunder shall be settled in full completion of the purchase and within 20 Business Days of the date of the offer.
- 17.3 For the purpose of Article 17.1 the expression "Specified Price" means a price per share at least equal to the highest price paid or payable by the third party purchaser or persons acting in concert with him or connected with him for any shares within the last 6 months.
- 17.4 If any part of the Specified Price is payable otherwise than in cash, any shareholder may require as a condition of his acceptance of the offer to receive in cash on transfer all or any of the price offered for his shares.
- 17.5 If the Specified Price or its cash equivalent cannot be agreed within 15 Business Days of the proposed sale or transfer referred to in Article 17.1 between the third party purchaser and shareholders holding more than 75 per cent of the Ordinary Shares it may be referred by any shareholder to the Company's Accountant who shall determine and certify the sum per share

considered by them to be the Specified Price and pending such determination, the sales and transfers referred to in this clause shall have no effect.

18. UNISSUED SHARES

18.1 No shares in the Company shall be allotted nor any right to subscribe for or to convert any security into any shares in the Company shall be granted save with the consent in writing of the holders of a majority of the Ordinary Shares.

18.2 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act).

19. FURTHER ISSUES OF SHARES: AUTHORITY

19.1 Subject to the remaining provisions of this article 19, the directors are generally and unconditionally authorised, for the purpose of section 551 of the Act, to exercise any power of the Company to:

- (a) offer or allot;
- (b) grant rights to subscribe for or to convert any security into; or
- (c) otherwise deal in, or dispose of,

any shares in the Company to any person, at any time and subject to any terms and conditions as the directors think proper.

19.2 The authority referred to in article 19.1:

- (a) shall be limited to a maximum nominal amount of £100,000 shares or such other amount as may from time to time be authorised by the Company by ordinary resolution;
- (b) shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and
- (c) may only be exercised for a period of five years from the date of adoption of these Articles, save that the directors may make an offer or agreement which would, or might, require shares to be allotted after the expiry of such authority (and the directors may allot shares in pursuance of an offer or agreement as if such authority had not expired).

DECISION MAKING BY SHAREHOLDERS

20. QUORUM FOR GENERAL MEETINGS

- 20.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy. If for so long as the Company has only one shareholder, that shareholder shall be a quorum.
- 20.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on. If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for 2 Business Days at the same time and place. If a quorum is not present at any such adjourned meeting within 30 minutes of the time specified, then those persons present will constitute a quorum.

21. CHAIRING GENERAL MEETINGS

The chairman of the board of directors shall chair general meetings. If the chairman is unable to attend any general meeting, the shareholder who appointed him shall be entitled to appoint another of its nominated directors present at the meeting to act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

22. VOTING

- 22.1 At a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote; on a poll every shareholder present in person or by proxy shall have one vote for each share of which he is the holder; and on a vote on a written resolution every shareholder has one vote for each share of which he is the holder.

23. POLL VOTES

- 23.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 23.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

24. PROXIES

- 24.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles 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

accordance with any instructions contained in the notice of general meeting (or adjourned meeting) to which they relate".

- 24.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that article.

ADMINISTRATIVE ARRANGEMENTS

25. MEANS OF COMMUNICATION TO BE USED

- 25.1 Any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider];
- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- (c) if properly addressed and sent or supplied by electronic means, twelve hours after the document or information was sent or supplied; and
- (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website subject to the recipient being able to access the internet to view the website..

For the purposes of this article, no account shall be taken of any part of a day that is not a working day.

- 25.2 In proving that any notice, document or information was properly addressed, it shall be sufficient to show that the notice, document or information was delivered to an address permitted for the purpose by the Act.

26. INDEMNITY AND INSURANCE

- 26.1 Subject to article 26.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

(a) each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

(i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and

(ii) in relation to the Company's activities as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs; and

(b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 26.1(a) and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.

26.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

26.3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

26.4 In this article:

(a) a "relevant officer " means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and

(b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company or any pension fund or employees' share scheme of the Company.