

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000, as amended (“FSMA”), who specialises in advising on the acquisition of shares and other securities if you are in the United Kingdom, or any appropriately authorised person under applicable laws if you are located in any other jurisdiction.

This document is an admission document required by the AIM Rules for Companies and has been prepared in connection with the proposed admission to trading on AIM, a market operated by the London Stock Exchange, of the entire issued and to be issued share capital of the Company and has been drawn up in accordance with the AIM Rules for Companies. This document does not constitute an offer or constitute any part of an offer to the public within the meaning of sections 85 and 102B of FSMA or otherwise. Accordingly this document does not comprise a prospectus within the meaning of section 85 of FSMA and has not been drawn up in accordance with the Prospectus Rules or approved by or filed with the Financial Conduct Authority (“FCA”) or any other competent authority.

The Directors, whose names appear on page 6, and the Company, whose address appears on page 6, accept individual and collective responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company (having taken all reasonable care to ensure such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information. In connection with this document, no person is authorised to give any information or make any representation other than as contained in this document.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required, pursuant to the AIM Rules for Companies published by the London Stock Exchange plc, to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has itself not examined or approved the contents of this document. The AIM Rules for Companies are less demanding than those which apply to companies whose shares are listed on the Official List. It is emphasised that no application is being made for admission of the Ordinary Shares to the Official List or any other regulated market and no application has been or is being made for the Ordinary Shares to be admitted to trading on any such market. It should be remembered that the price of securities and the income from them (if any) can go down as well as up.

Your attention is also drawn to the discussion of risks and other factors which should be considered in connection with an investment in the Ordinary Shares, set out in Part II (*Risk Factors*) of this document. NOTWITHSTANDING THIS, PROSPECTIVE INVESTORS IN THE COMPANY SHOULD READ THE WHOLE TEXT OF THIS DOCUMENT.

Stirling Industries plc

(incorporated and registered in England and Wales with registered number 11203731)

**Placing of 8,881,002 new Ordinary Shares at a price of £1.00 per share
and**

Admission of Ordinary Shares to trading on AIM

Numis Securities Limited

Numis

Nominated Adviser, Broker and Bookrunner

Application has been made for the entire issued and to be issued ordinary share capital of the Company to be admitted to trading on AIM, a market operated by the London Stock Exchange. It is expected that Admission will become effective, and dealings in the Ordinary Shares will commence at 8.00 a.m. on 6 March 2018. The Ordinary Shares are not dealt on any other recognised investment exchange and no application has been or is being made for the Ordinary Shares to be admitted to any such exchange.

The Placing is conditional on, inter alia, Admission taking place by 8.00 a.m. on 6 March 2018 (or such later date as the Company and Numis may agree). The new Ordinary Shares being offered in the Placing (the “**Placing Shares**”) will, upon Admission, rank pari passu in all respects with the existing Ordinary Shares (“**Existing Ordinary Shares**”) and will rank in full for all dividends or other distributions declared, made or paid on the Ordinary Shares after Admission.

Numis Securities Limited (“**Numis**”) is a member of the London Stock Exchange and is authorised and regulated in the United Kingdom by the FCA. Numis is acting as nominated adviser, broker and bookrunner to the Company (for the purposes of the AIM Rules for Companies and the AIM Rules for Nominated Advisers) and is acting exclusively for the Company and no-one else in connection with the Placing and Admission. Numis will not regard any other person as its client or be responsible to any other person for providing the protection afforded to its clients nor for providing advice in relation to the transactions and arrangements detailed in this document. Numis is not making any representation or warranty, express or implied, as to the contents of this document, or as to any matter, transaction or arrangement referred to in it. The responsibilities of Numis as the Company’s nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of such person’s decision to acquire shares in the Company in reliance on any part of this document.

In accordance with the AIM Rules for Nominated Advisers, Numis has confirmed to the London Stock Exchange that it has satisfied itself that the Directors have received advice and guidance as to the nature of their responsibilities and obligations to ensure compliance by the Company with the AIM Rules for Companies and that, in its opinion and to the best of its knowledge and belief, all relevant requirements of the AIM Rules for Companies have been complied with. No liability whatsoever is accepted by Numis for the accuracy of any information or opinions contained in this document or for the omissions of any material information, for which it is not responsible.

This document is exempt from the general restriction on the communication of invitations or inducements to enter into investment activity (within the meaning of section 21 of FSMA) and has therefore not been approved by an authorised person within the meaning of FSMA. This document is only being communicated to and may only be issued or passed on in the United Kingdom to persons falling within Articles 19 (investment professionals) and 49 (high net worth companies etc.) of the Financial Services and Markets Act 2000 (Financial Promotion Order) 2005 (SI. 2005/No. 1529) or other persons to whom it may otherwise lawfully be communicated (“**Relevant Persons**”). The Company and Numis will only deal with Relevant Persons in relation to the investments to which this document relates and those who are not Relevant Persons should not rely on it.

The distribution of this document and issue of Ordinary Shares in certain jurisdictions other than the United Kingdom may be restricted by law. No action has been taken by the Company to permit a public offering of Ordinary Shares or possession or distribution of this document (or any other offering or publicity materials relating to Ordinary Shares) in any other jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this document nor any advertisement may be distributed or published in any other jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes are required by the Company and Numis to inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document does not constitute or form part of an offer to sell, or the solicitation of an offer to buy or subscribe for, Ordinary Shares to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful.

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”), or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the US Securities Act (“**Regulation S**”)) absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and otherwise in accordance with any applicable securities laws of any state or other jurisdiction of the United States. The Ordinary Shares are being offered and sold only to non-US persons outside of the United States in “offshore transactions” within the meaning of and in reliance on Regulation S. There will be no offering of the Ordinary Shares in the United States.

The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the “**US Investment Company Act**”), and investors will not be entitled to the benefits of that act. No offer, purchase, sale or transfer of the Ordinary Shares may be made except in circumstances which will not result in the Company being required to register as an investment company under the US Investment Company Act.

The Ordinary Shares have not been and will not be registered under the applicable securities laws of Australia, Canada, Japan or the Republic of South Africa. Accordingly, subject to certain exceptions (noted below), the Ordinary Shares may not be offered or sold in Australia, Canada, Japan or the Republic of South Africa or to, or for the account or benefit of, any resident of Australia, Canada, Japan or the Republic of South Africa.

Neither this document nor any supplementary admission document constitute an issue prospectus within the meaning of, nor have they been prepared without regard to, the disclosure standards for issue prospectuses under article 652a or article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under article 27 ff. of the listing rules of the SIX Swiss Exchange Ltd or the listing rules of any other stock exchange or regulated trading facility in Switzerland.

The Shares will not be listed on the SIX Swiss Exchange Ltd. or on any other stock exchange or regulated trading facility in Switzerland.

The Shares will only be distributed to qualified investors in accordance with the Swiss Federal Act on Collective Investment Schemes and its implementing ordinances and the applicable guidelines of the Swiss Financial Market Supervisory Authority (“**FINMA**”) and will not be distributed to non-qualified investors in or from Switzerland. Neither this document nor any other offering materials relating to the Company will be made available to non-qualified investors for distribution in or from Switzerland.

Neither this document (nor any supplementary admission document) nor any other offering or marketing material relating to the Placing, nor the Company nor the Shares have been or will be filed with, registered or approved by FINMA or any other Swiss regulatory authority. In particular, the Company has not been authorised, and will not seek authorisation from FINMA for distribution to non-qualified investors in or from Switzerland.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, and the Placing Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Numis will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

Prospective investors should read the restrictions on offers, sales and transfers of the Ordinary Shares and the distribution of this document set out in the section of this document headed “Important Information” on page 1. Each purchaser of the Placing Shares will be deemed to have made the relevant representations described therein and in Part V (*Terms and Conditions of the Placing*) of this document.

Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the Company’s registered office from the date of this document and shall remain available for a period of one month following Admission. A copy of this document will also be available from the Company’s website www.stirlingplc.com.

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IMPORTANT INFORMATION

Investment in the Company carries risk. In deciding whether or not to invest in the Ordinary Shares, prospective investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors or Numis. Neither the delivery of this document nor any acquisition of Ordinary Shares made in reliance on this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information contained herein is correct as at any time after its date.

Prospective investors must not treat the contents of this document or any subsequent communications from the Company or Numis, or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, financial, taxation, accounting, regulatory, investment or any other matters.

Neither Numis nor any person acting on its behalf makes any representations or warranties, express or implied, with respect to the completeness, accuracy or verification of this document, nor does any such person authorise the contents of this document. No such person accepts any responsibility or liability whatsoever for the contents of this document or for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares, the Placing or Admission. Numis accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this document or any such statement. Neither Numis nor any person acting on its behalf accepts any responsibility or obligation to update, review or revise the information in this document or to publish or distribute any information which comes to its or their attention after the date of this document, and the distribution of this document shall not constitute a representation by Numis or any other person that this document will be updated, reviewed or revised or that any such information will be published or distributed after the date hereof.

Numis and each of its affiliates acts as an investor for its own account, may subscribe for, retain, purchase or sell Ordinary Shares for its own account and may offer or sell such securities otherwise than in connection with the Placing. Numis does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any applicable legal or regulatory requirements.

The distribution of this document and issue of Ordinary Shares in certain jurisdictions other than the United Kingdom may be restricted by law. No action has been taken by the Company to permit a public offering of Ordinary Shares or possession or distribution of this document (or any other offering or publicity materials relating to Ordinary Shares) in any other jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this document nor any advertisement may be distributed or published in any other jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes are required by the Company and Numis to inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Any reproduction or distribution of this document, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Ordinary Shares offered hereby is prohibited. Each offeree of the Placing Shares, by accepting delivery of this document, agrees to the foregoing.

Notice to overseas investors

The Ordinary Shares have not been and will not be registered under the US Securities Act, or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, US persons (as defined in Regulation S) absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and otherwise in accordance with any applicable securities laws of any state or other jurisdiction of the United States. The Ordinary Shares are being offered and sold only to

non-US persons outside of the United States in “offshore transactions” within the meaning of and in reliance on Regulation S. There will be no offering of the Ordinary Shares in the United States.

The Company has not been and will not be registered under the US Investment Company Act and investors will not be entitled to the benefits of that act. No offer, purchase, sale or transfer of the Ordinary Shares may be made except in circumstances which will not result in the Company being required to register as an investment company under the US Investment Company Act.

The Ordinary Shares have not been and will not be registered under the applicable securities laws of Australia, Canada, Japan or the Republic of South Africa. Accordingly, subject to certain exceptions (noted below), the Ordinary Shares may not be offered or sold in Australia, Canada, Japan or the Republic of South Africa or to, or for the account or benefit of, any resident of Australia, Canada, Japan or the Republic of South Africa.

Neither this document nor any supplementary admission document constitute an issue prospectus within the meaning of, nor have they been prepared without regard to, the disclosure standards for issue prospectuses under article 652a or article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under article 27 ff. of the listing rules of the SIX Swiss Exchange Ltd or the listing rules of any other stock exchange or regulated trading facility in Switzerland.

The Shares will not be listed on the SIX Swiss Exchange Ltd. or on any other stock exchange or regulated trading facility in Switzerland.

The Shares will only be distributed to qualified investors in accordance with the Swiss Federal Act on Collective Investment Schemes and its implementing ordinances and the applicable guidelines of FINMA and will not be distributed to non-qualified investors in or from Switzerland. Neither this document nor any other offering materials relating to the Company will be made available to non-qualified investors for distribution in or from Switzerland.

Neither this document (nor any supplementary admission document) nor any other offering or marketing material relating to the Placing, nor the Company nor the Shares have been or will be filed with, registered or approved by FINMA or any other Swiss regulatory authority. In particular, the Company has not been authorised, and will not seek authorisation from FINMA for distribution to non-qualified investors in or from Switzerland.

Data Protection

The information that a prospective investor provides in documents in relation to a purchase of Ordinary Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual (“**personal data**”) will be held and processed by the Company (and any third party to whom it may delegate certain administrative functions in relation to the Company) in compliance with the relevant data protection legislation and regulatory requirements of the United Kingdom. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- contacting the prospective investor with information about products and services, or its affiliates, which may be of interest to the prospective investor;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in England and Wales and elsewhere (as required); and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company’s business.

Where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and
- transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the United Kingdom.

If the Company (or any third party, functionary or agent appointed by a member of the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data are disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

Forward-looking Statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms “targets”, “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Company and the Board concerning, among other things: (i) the Company’s objective, acquisition and financing strategies, returns of capital, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends; (ii) future deal flow and implementation of active management strategies; and (iii) trends in the sectors in which the Company may elect to invest. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company’s actual performance, results of operations, internal rate of return, financial condition, distributions to shareholders and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the Company’s actual performance, results of operations, internal rate of return, financial condition, distributions to shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Important factors that may cause these differences include, but are not limited to:

- the Company’s ability to successfully complete an initial acquisition of a trading company, to source further add-on acquisition opportunities, and to propose effective growth strategies for any company the Group may acquire;
- changes in economic conditions generally (and specifically in the market in which any first acquisition is made);
- the ability of the Company to retain key management and the Company’s ability to attract and retain suitably qualified personnel;
- changes in interest rates and currency fluctuations, as well as the success of the Company’s hedging strategies in relation to such changes and fluctuations (if such strategies are in fact used);
- revaluations and/or impairments in the value of the Company’s assets;
- legislative and/or regulatory changes, including changes in taxation regimes;

- the Company’s ability to invest the cash on its balance sheet and the Net Proceeds in a first acquisition on a timely basis;
- the availability and cost of debt capital to finance any acquisitions; and
- the ability of the Company to raise additional equity financing to fund future acquisitions.

Prospective investors should carefully review the risk factors set out in Part II (*Risk Factors*) of this document for a discussion of additional factors that could cause the Company’s actual results to differ materially, before making an investment decision. For the avoidance of doubt, nothing in this section constitutes a qualification of the working capital statement contained in paragraph 18 of Part IV (*Additional Information*) of this document.

Forward-looking statements contained in this document apply only as at the date of this document. Save as required, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Presentation of financial information

The Company is newly formed and as at the date of this document has not commenced any operations and has no assets or liabilities which will be material in the context of the Placing. Therefore, only limited financial information has been prepared as at the date of this document. All future financial information for the Company is intended to be prepared in accordance with IFRS. In making an investment decision, prospective investors must rely on their own examination of the Company from time to time, the terms of the Issue and the financial information in this document.

Currency Presentation

Unless otherwise indicated, all references in this document to “**sterling**”, “**£**”, “**p**” or “**pence**” are to the lawful currency of the United Kingdom.

No Incorporation of Website

The contents of the Company’s website (or any other website) do not form part of this document.

Definitions

A list of defined terms used in this document is set out at pages 7 to 10.

Governing Law

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

PLACING AND ADMISSION STATISTICS AND EXPECTED TIMETABLE OF PRINCIPAL EVENTS

PLACING AND ADMISSION STATISTICS

Number of Existing Ordinary Shares	50,000
Number of Placing Shares to be allotted ⁽¹⁾	8,881,002
Placing Price (per new Ordinary Share) ⁽²⁾	£1.00
Number of Ordinary Shares post-Admission	8,931,003
Placing Shares as a percentage of the number of Ordinary Shares post-Admission	99.4%
Estimated gross proceeds of the Placing	£8.9 million
Estimated Net Proceeds receivable by the Company	£8.4 million
Expected market capitalisation of the Company on Admission at the Placing Price	£8.9 million
ISIN	GB00BFX0W490
SEDOL	BFX0W49
AIM SYMBOL	STRL

EXPECTED TIMETABLE OF PRINCIPAL EVENTS⁽³⁾

Publication of this document	1 March 2018
Admission and expected commencement of dealings on AIM	8.00 a.m. on 6 March 2018
CREST accounts credited with Placing Shares issued pursuant to the Placing	6 March 2018
Where applicable, definitive share certificates in respect of the Placing Shares issued pursuant to the Placing dispatched by post by	20 March 2018

Notes

- (1) Assuming the Placing is fully subscribed and becomes wholly unconditional.
- (2) Includes 1 additional Ordinary Share to be issued to Blair Illingworth immediately following Admission as further described in note 2 to paragraph 8.1 of Part IV (*Additional Information*) of this document.
- (3) Each of the dates and times in the above timetable are indicative only and are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by an announcement through a Regulatory Information Service.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Robin George Walton Williams (<i>Chairman</i>) Richard Blair Illingworth (<i>Chief Executive Officer</i>) Joanne Elizabeth Curin (<i>Chief Financial Officer</i>) Simon Francis Thomas (<i>Chief Operating Officer</i>) Christopher Bruce Dowling (<i>Independent Non-executive Director</i>)
Company Secretary	Simon Francis Thomas
Registered Office	Suite 1, 3rd Floor 11-12 St. James's Square London SW1Y 4LB
Telephone Number(s)	0207 400 3333
Website	www.stirlingplc.com
Nominated Adviser, Broker and Bookrunner	Numis Securities Limited The London Stock Exchange Building 10 Paternoster Square London EC4M 7LT
Reporting Accountants and Auditor	KPMG LLP 15 Canada Square London E14 5GL
Solicitors to the Company	Ashurst LLP Broadwalk House 5 Appold Street London EC2A 2HA
Solicitors to the Nominated Adviser, Broker and Bookrunner	Simmons & Simmons LLP CityPoint One Ropemaker Street London EC2Y 9SS
PR Advisers	Montfort Communications Ltd 2nd Floor Berkeley Square House Berkeley Square Mayfair London W1J 6BD
Principal Bankers	HSBC Bank plc 8 Canada Square Canary Wharf London E14 5HQ
Registrar	Computershare Investor Services plc The Pavilions Bridgwater Road Bristol BS13 8AE

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“ Admission ”	the admission of the Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies.
“ AIM ”	AIM, a market operated by the London Stock Exchange.
“ AIM Rules for Companies ”	the AIM Rules for Companies published by the London Stock Exchange from time to time (including, without limitation, any guidance notes or statements of practice) which govern the obligations and responsibilities of companies whose shares are admitted to trading on AIM.
“ AIM Rules for Nominated Advisers ”	the rules for nominated advisers to AIM companies published by the London Stock Exchange from time to time.
“ Articles ”	the articles of association of the Company, a summary of which is set out in paragraph 5 of Part IV (<i>Additional Information</i>) of this document.
“ Board ” or “ Directors ”	the directors of the Company whose names are set out on page 6 of this document.
“ certified ” or “ certified form ”	recorded on the relevant register of the share or security concerned as being held in certificated form in physical paper (that is, not in CREST).
“ Companies Act ”	the UK Companies Act 2006, as amended.
“ Company ” or “ Stirling ”	Stirling Industries plc, a public limited company incorporated in England and Wales under registration number 11203731.
“ CREST ”	the electronic transfer and settlement system for the paperless settlement of trades in listed securities operated by Euroclear.
“ CREST Regulations ”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time, and any applicable rules made under those regulations.
“ DTRs ” or “ Disclosure and Transparency Rules ”	the Disclosure Guidance and Transparency Rules published by the FCA from time to time in its capacity as the UK Listing Authority under Part VI of FSMA, as amended, and contained in the UK Listing Authority publication of the same name.
“ EBT ”	employee benefit trust.
“ EEA ”	the European Economic Area.
“ Enlarged Share Capital ”	the entire issued share capital of the Company immediately following Admission.
“ ERISA ”	the United States Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations thereunder.
“ Euroclear ”	Euroclear UK and Ireland Limited, the operator (as defined in the CREST Regulations) of CREST.
“ EU ” or “ European Union ”	the European Union.

“Excluded Territory”	the Commonwealth of Australia, its territories and possessions, each province and territory in Canada, Japan and the Republic of South Africa and any other jurisdiction where the extension or availability of the Placing would breach any applicable law.
“Executive Directors”	the executive directors of the Company, being Blair Illingworth, Joanne Curin and Simon Thomas.
“Existing Ordinary Shares”	the Ordinary Shares in issue as of the date of this document.
“FATCA”	the US Foreign Account Tax Compliance Act of 2010, as amended from time to time.
“FCA”	the UK Financial Conduct Authority.
“Founder Directors”	the founder directors of the Company, being the Directors at the date of this document.
“FSMA”	the UK Financial Services and Markets Act 2000, as amended.
“Group”	the Company and its subsidiaries from time to time.
“HMRC”	HM Revenue & Customs.
“Incentive Shares”	shares of £1.00 each in the capital of the Company issued or to be issued pursuant to the LTIP.
“Investment Policy”	the Company’s investment policy, as set out in paragraph 2 of Part I (<i>Information on the Company</i>) of this document.
“Lock-in Agreements”	the lock-in agreements dated 1 March 2018 entered into between the Company, Numis, and, separately, (i) Blair Illingworth; (ii) Joanne Curin; (iii) Simon Thomas; (iv) Robin Williams; and (v) Christopher Dowling, a summary of which is set out in paragraph 16.2 of Part IV (<i>Additional Information</i>) of this document.
“London Stock Exchange”	London Stock Exchange plc.
“LTIP” or “Stirling Industries plc 2018 Long-Term Incentive Plan”	the Stirling Industries plc 2018 Long-Term Incentive Plan, details of which are set out in paragraph 7 of Part I (<i>Information on the Company</i>) of this document.
“LTIP Rules”	the rules of the Stirling Industries plc 2018 Long-Term Incentive Plan, as the same may be amended from time to time in accordance with the terms thereof.
“Net Proceeds”	the net proceeds of the Placing, expected to be approximately £8.4 million.
“Nominated Adviser and Broker Agreement”	the nominated adviser and broker agreement between the Company and Numis dated 1 March 2018, a summary of which is set out in paragraph 16.3 of Part IV (<i>Additional Information</i>) of this document.
“Non-executive Directors”	the non-executive directors of the Company, being Robin Williams and Christopher Dowling.
“Numis”	Numis Securities Limited.
“Official List”	the Official List of the UK Listing Authority.

“Ordinary Shares”	ordinary shares of £0.01 each in the share capital of the Company.
“Other Plan Investor”	any governmental plan, church plan, non-US plan or other investor whose purchase or holding of Ordinary Shares would be subject to any Similar Law or could result in the assets of the Company being deemed to be assets of such plan or investor for purposes of any Similar Law.
“Placee”	any person or entity subscribing for Placing Shares pursuant to the Placing.
“Placing”	the conditional placing by Numis of the Placing Shares at the Placing Price pursuant to the Placing Agreement (including subscriptions for Ordinary Shares by the Directors).
“Placing Agreement”	the conditional agreement dated 1 March 2018 between the Company, the Directors and Numis relating to the Placing, a summary of which is set out in paragraph 16.2 of Part IV of this document.
“Placing Price”	£1.00 per Placing Share.
“Placing Shares”	the 8,881,002 new Ordinary Shares to be allotted to Placees pursuant to the Placing.
“Prospectus Rules”	the prospectus rules of the FCA made under Part VI of FSMA.
“Qualified Purchaser”	a qualified purchaser as defined in section 2(a)(51) of the US Investment Company Act and the related rules thereunder.
“Registrar”	Computershare Investor Services plc.
“Registrar Agreement”	the agreement entered into between the Company and the Registrar dated 1 March 2018, a summary of which is set out in paragraph 16.4 of Part IV (<i>Additional Information</i>) of this document.
“Regulation S”	Regulation S under the US Securities Act.
“Reverse Takeover”	a reverse takeover as defined in the AIM Rules for Companies.
“Service Agreement(s)”	the service agreements entered into on 27 February 2018 between the Company and each of (i) Blair Illingworth; (ii) Joanne Curin; and (iii) Simon Thomas.
“Shareholders”	the holders of Ordinary Shares from time to time.
“Similar Law”	any US federal, state or local laws or regulations, or non-US laws or regulations, similar to Title I of ERISA or section 4975 of the US Tax Code.
“subsidiary”	as defined in section 1158 of the Companies Act.
“Takeover Code”	the City Code on Takeovers and Mergers published by the Takeover Panel.
“Takeover Panel”	the UK Panel on Takeovers and Mergers.
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland.
“UK Corporate Governance Code”	the UK Corporate Governance Code published by the Financial Reporting Council in September 2012, as amended.

“UK Listing Authority”	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of admission to the Official List.
“uncertified form”	a share or other security recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which by virtue of the CREST Regulations, may be transferred by means of CREST.
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States, and the District of Columbia.
“US Bank Holding Company Act”	the US Bank Holding Company Act of 1956, as amended.
“US Commodity Exchange Act”	the US Commodity Exchange Act of 1936, as amended.
“US Exchange Act”	the US Exchange Act of 1934, as amended.
“US Investment Advisers Act”	the US Investment Advisers Act of 1940, as amended.
“US Investment Company Act”	the US Investment Company Act of 1940, as amended.
“US Plan Asset Regulation”	the US Department of Labor regulation codified at 29 CFR section 2510.3-101, as modified by section 3(42) of ERISA, or any successor regulation.
“US Plan Investor”	(i) an employee benefit plan that is subject to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA; (ii) a plan that is subject to the prohibited transaction provisions of section 4975 of the US Tax Code (including an individual retirement account); (iii) an entity whose underlying assets include “plan assets” for purposes of Title I of ERISA or section 4975 of the US Tax Code by reason of a plan’s investment in the entity (including, as applicable, an insurance company general account); or (iv) any “benefit plan investor” as otherwise defined in the US Plan Asset Regulation.
“US Securities Act”	the US Securities Act of 1933, as amended.
“US Tax Code”	the US Internal Revenue Code of 1986, as amended, and regulations relating thereto promulgated by the US Treasury Department, as amended.

PART I

INFORMATION ON THE COMPANY

1. INTRODUCTION

Stirling is a newly incorporated company established to acquire companies or businesses which the Directors believe have the potential for strategic, operational and performance improvement so as to create shareholder value. The Directors intend to follow an “acquire, develop, sell” strategy raising equity and debt finance to fund the acquisitions of given companies or businesses, developing the acquired business(es) through proactive strategic and operational management (including capital investment and/or bolt-on acquisitions) and after period of time exiting the business(es) (either as whole or their constituent parts) and returning the proceeds from the disposal(s) to Shareholders. The Directors believe that in the current environment Stirling will be able to identify appropriate acquisition opportunities.

The Board of the Company have a strong track record of strategic and operational leadership across a broad range of geographies and industries where they have created significant shareholder value. The Board have extensive experience of identifying and evaluating acquisition opportunities, both quoted and unquoted, and maximising value on divestments, both in the United Kingdom and overseas.

The Company will acquire all of or a controlling stake in a company or business with a priority given to acquiring such assets outside of competitive auction processes. The first acquisition that Stirling makes is expected to constitute a Reverse Takeover under the AIM Rules for Companies and will be subject to the prior approval of Shareholders in a general meeting. Subsequent acquisitions may or may not require the approval of Shareholders, depending on the size and scale of the acquisition and/or associated equity fund raising that is required. Due diligence will be carried out on all potential acquisition targets and will be managed by the Executive Directors, overseen by the board and assisted by the Company’s employees and professional advisers.

The Directors intend to fund acquisitions from existing cash resources in conjunction with the proceeds of an equity or debt raise as may be required. The Board may issue New Ordinary Shares as acquisition consideration to vendors of assets, as appropriate, and the Board would expect such New Ordinary Shares to be a minority shareholding in Stirling at that point in time. The Board is committed to maintaining a prudent and conservative capital structure for the Company and accordingly does not in principle expect to incur debt in excess of 2.5 times earnings before interest tax and depreciation. It is expected that any equity fundraising will be carried out on a pre-emptive basis.

The Board believes that its significant in-market experience and extensive industry networks will support proprietary deal flow opportunities, and that the Company’s sector remit covers a substantial number of eligible assets. The Executive Directors have identified a number of possible acquisition opportunities. Following the listing on AIM, the Company intends to progress those opportunities as quickly as prudently possible, albeit whilst the Company is currently in preliminary discussions with respect to some potential acquisition targets there can be no certainty at this stage as to the basis of such transactions that may be agreed, that any such transactions will be completed and/or on what timeframe any such transactions might occur.

Upon Admission, the Company will be an “investing company” for the purposes of the AIM Rules for Companies at least until it completes an acquisition at which point it may be eligible for an alternative sector classification. The Company may seek at an appropriate time in the future admission of the Ordinary Shares to the Official List if the Directors believe the circumstances are right to do so.

2. INVESTMENT POLICY

The Company will look to achieve its investment strategy by taking an active approach to investments made within the following parameters:

- **Geographic focus:** Initially the Company's principal focus will be investing in businesses based in or operating principally in the United Kingdom, Europe or North America. The Company may consider in the future investing globally, including in emerging markets.
- **Sector focus:** The Company intends to focus on the industrials sector.
- **Target companies:** The Company will target companies with good market fundamentals in their specific segment which fit into the stated geographic and asset criteria guidelines and where the Directors believe there is the potential for material strategic, operational and performance improvement.
- **Types of investment and control of investments:** It is anticipated that the Company will acquire and control one or more businesses or companies on a long term basis. The Board may issue New Ordinary Shares as acquisition consideration to vendors of assets, as appropriate, and the Board would expect such New Ordinary Shares to represent a non-controlling or minority shareholding in Stirling at that point in time.
- **Investment size:** The Directors intend that initial funds raised pursuant to the Placing will be used for the purposes of funding operational expenses and to undertake due diligence on potential target acquisitions. It is envisaged that the Company's first acquisition will be in the region of an enterprise value of £100 to circa £500 million and will be all of or a controlling stake in a business.
- **Nature of returns:** It is anticipated that returns to Shareholders will be delivered through a combination of an appreciation in the Company's share price, and if appropriate, regular annual dividends paid out of retained earnings (following completion of an acquisition) as well as return of cash to shareholders following any disposal of assets or businesses.

Any material change to the Investment Policy will be made only with the approval of Shareholders.

In accordance with the AIM Rules for Companies, if the Company fails to make an acquisition or has not substantially implemented its Investment Policy within 18 months of Admission, the Company will seek Shareholder approval for its Investment Policy at each subsequent annual general meeting until such time as there has been an acquisition or the Investment Policy has been substantially implemented. The Directors will, at any subsequent annual general meeting, ask Shareholders to consider whether to wind up the Company and return funds (after payment of the expenses and liabilities of the Company) to Shareholders.

3. INFORMATION ON THE DIRECTORS

The Directors are responsible for the overall management and control of the Company. The Directors will review the operations of the Company at regular meetings and it is currently intended that the Board will meet at least four times a year. The Directors have been assembled to provide the Company with the necessary combination of strategic, operational, financial and M&A experience that will be key to the Company's success.

As at the date of this document, the Board comprises the following persons:

Robin George Walton Williams (*Chairman*), aged 60.

Mr Williams co-founded the Britton Group in 1992 which grew by acquisition and organic investment to sale in 1998. He was then appointed executive director at Hepworth plc in 1998, where performance was improved leading to a successful trade sale in 2001. Since 2003, Mr Williams has been engaged in a number of non-executive director roles across public companies, private equity backed, public sector and family owned businesses.

Richard Blair Illingworth (*Chief Executive Officer*), aged 54.

Mr Illingworth has been engaged in a number of roles since 1992, including as Divisional CEO and executive director at Marshalls plc. Between 2004 and 2006, Mr Illingworth acted as CEO of Polypipe before moving on to take up a similar role at Tarmac Building Products in 2009. Between 2013 and 2016, Mr. Illingworth held the position as CEO of the Brush Group (a Melrose plc company).

Joanne Elizabeth Curin (*Chief Financial Officer*), aged 59.

Ms Curin qualified as a member of the Institute of Chartered Accountants of New Zealand in 1991 and has over 15 years' experience acting as an Executive and Non-executive Director across a number of large scale public companies. Between 1994 and 1998, Ms Curin acted as Divisional CFO for International Paper (CHH) before taking on the role of Divisional CFO and Group CFO with P&O between 1998 and 2003. More recently, Ms. Curin has acted as CFO for Lamprell plc between 2013 and 2014 and Interim CFO at Al Noor plc between 2015 and 2016.

Simon Francis Thomas (*Chief Operating Officer*), aged 62.

Mr Thomas is a Chartered Management Accountant and has previously held financial roles with APV plc (now known as Invensys plc) between 1992 and 1998. Following this, Mr Thomas held similar financial roles with TI Automotive between 1998 and 2007 before taking up a managerial position at Acument Global Technologies between 2007 and 2011. More recently, Mr Thomas acted as Executive Director for the Brush Group (a Melrose plc company).

Christopher Bruce Dowling (*Independent Non-executive Director*), aged 64.

Mr Dowling is an Associate of the Institute of Chartered Accountants in England and Wales. Following a career in Investment banking with Barclays de Zoete Wedd, Mr Dowling co-founded Rutland Trust plc in 1987 and was managing Partner of Rutland Partners LLP the private equity turnaround fund from 2000 to 2005. He was European Chairman of Challenger Group between 2006 and 2013 and is currently an independent non-executive director for Electricity North West Ltd.

Whilst no such decision has been made by the Board, the Company will consider the Board composition, including whether to appoint one or more additional non-executive directors, at the time it makes its first acquisition having regard to the expected size of the acquisition and what would be an appropriate size for the Board following such acquisition.

4. USE OF PLACING PROCEEDS

Subject to Admission, the Company will issue 8,881,002 Placing Shares which will raise gross proceeds of £8.9 million (before expenses). The Net Proceeds of the Placing, estimated at approximately £8.4 million, will be used to fund working capital and due diligence in relation to potential acquisition targets, in accordance with the Investment Policy.

The Placing Shares will represent 99.4 per cent. of the Enlarged Share Capital. Details of the Placing Agreement are set out in paragraph 16.2 of Part IV (*Additional Information*) of this document.

5. REASONS FOR ADMISSION TO AIM

The Directors believe that Admission to AIM will have the following benefits:

- AIM may provide access to substantial equity funding from investors to support future acquisitions;
- quoted shares may be an attractive form of consideration to vendors of potential acquisition targets;
- it should enhance the Company's reputation and profile with acquisition targets, consumers and suppliers by virtue of its status as a quoted company; and
- it should enhance the Company's ability to retain and attract key staff with share incentive arrangements.

6. DIRECTORS' REMUNERATION

Blair Illingworth will be paid an annual salary of £150,000 per annum, Joanne Curin will be paid an annual salary of £250,000 per annum and Simon Thomas will be paid an annual salary of £150,000 per annum, in each case payable monthly in arrears.

Robin Williams will be paid an annual fee of £50,000 per annum and Christopher Dowling will be paid an annual fee of £30,000 per annum.

Further details relating to the remuneration of the Directors, of the service contracts of the Executive Directors and of the appointment letters of the Non-executive Directors are set out in paragraph 9 of Part IV (*Additional Information*) of this document.

At the time of making of the first acquisition, the Board will undertake an executive salary benchmarking exercise for the purpose of determining what shall constitute a competitive market salary rate and pension contribution for the Executive Directors having regard to peer companies in a similar market and the skills and experience of the Executive Directors and the duties and roles to be undertaken by them. The fees payable to the Non-executive Directors will also be reviewed at the same time. The Directors believe that the Company's remuneration policies should be set to promote long-term value creation through transparent alignment with the agreed corporate strategy and that such policies should support performance, encourage the underlying sustainable financial health of the business and promote sound risk management for the success of the Company and to the benefit of all its stakeholders. The Directors believe that this is in line with best practice and that this review should be carried out at the time the Company makes its first acquisition pursuant to the Investment Policy, as the remuneration structure will need to be appropriate for the specific business of the Company at the relevant time.

The Founder Directors have been issued in aggregate 9,200 Incentive Shares under the LTIP, which was adopted and approved by the Board on 27 February 2018. Further details of these management incentive arrangements are set out below. The interests of the Founder Directors in the Incentive Shares are set out in paragraph 8.2 of Part IV (*Additional Information*) of this document.

7. MANAGEMENT INCENTIVE ARRANGEMENTS

The Company has put in place incentive arrangements, through the Stirling Industries plc 2018 Long-Term Incentive Plan, which only reward participants if shareholder value is created, thereby aligning the interests of the executive directors with those of the Shareholders. The LTIP was adopted and approved by the Board on 27 February 2018. Under these arrangements, the Board has created a class of Incentive Shares to be issued to participants in the LTIP, which when issued shall have a "commencement date" that will arise upon the date on which the Company makes its first acquisition and a "trigger date" which shall be the fourth anniversary of that date, being the "Performance Period" of the LTIP. The participant will subscribe for the Incentive Shares at a subscription price that will be paid in cash and which is equal to the present value of the shares. The crystallisation of the Incentive Shares shall occur in one of the following two ways: (1) the Incentive Shares will convert into Ordinary Shares according to the formula set out in the rights of the Incentive Shares contained in the Articles; or (2) the participant will be entitled to the payment of a dividend which will deliver to the participant value equivalent to the value of the Ordinary Shares into which the Incentive Shares would (if the Board has resolved not to pay a dividend) have converted. For the purposes of this summary, the entitlement to the said conversion or dividend shall be referred to as "crystallisation" of, or in respect of, the Incentive Shares. The crystallisation formula for the Incentive Shares will have a Performance Period of four years, and will then be followed by a Holding Period of one year (as further described below), which the Directors believe is in line with best practice concerning the remuneration of directors.

The potential reward under the LTIP is 10 per cent. of the increase in index-adjusted value from and including the commencement date to (but excluding) the trigger date, absent a Change of Control or winding up of the Company. The level of initial invested capital, against which to measure such increase in value, will be the aggregate of the amounts invested by shareholders as at the commencement date (net of distributions made). This figure will be increased by Ordinary Share Costs less any Returns (each as defined in and calculated in accordance with the rights to be attached to the Incentive Shares as set out in articles 4

and 5, respectively), in each case from and including the commencement date, with each resulting amount being increased by RPI plus 2 per cent. per annum to (but excluding) the trigger date.

Where Ordinary Shares are issued to one or more sellers in connection with an acquisition, the cost of those Ordinary Shares for the purposes of the calculation of Ordinary Share Costs will be based on the value attributed to each such share under the terms of the acquisition (as certified by the Company's brokers). The Board has discretion in circumstances where the crystallisation calculation for the LTIP would produce an anomalous result. Crystallisation of the Incentive Shares will occur early on a Change of Control or a winding-up of the Company (other than any change of control in relation to a reorganisation or reconstruction of the Company's share capital which results in the Company being controlled by a new company in which at least 90 per cent. of the share capital of that new company is owned by the same persons who immediately before such reorganisation or reconstruction were shareholders in the Company).

The Holding Period will apply from crystallisation of the Incentive Shares on the trigger date, until the first anniversary of the trigger date (inclusive) (the "**Holding Period**"). During this time any participant in the LTIP will be required to retain all of the new Ordinary Shares which they will receive following the crystallisation of the Incentive Shares on the trigger date, other than any such Ordinary Shares sold in order to make adequate provision for any tax liability which may arise in connection with such crystallisation.

The terms of the LTIP will include malus and clawback provisions, pursuant to which the Board may determine it appropriate to remove some or all of the benefit that would otherwise accrue (or has accrued, as the case may be) to the participant in the event of certain events. The proposed malus and clawback provisions will apply in the event that there has been (i) a material misstatement of financial results that, in the reasonable opinion of the Board, is material and adverse; (ii) a material miscalculation of any performance measure on which conversion of the Incentive Shares was calculated or the amount of any cash dividend paid (as the case may be) (where clawback arises following the trigger date); and/or (iii) gross misconduct by the relevant participant.

In the event that the malus and clawback provisions are triggered:

- (a) (in the case where there has been gross misconduct by the relevant Participant) if it is during the Performance Period, the Board may, at its discretion, resolve to cancel a number of Incentive Shares held by the relevant participant (which may be all or some only of the Incentive Shares) (such number being referred to as the ("**Compulsory Conversion Incentive Shares**") in which case it shall notify the relevant holder in writing which notice shall specify the number of Compulsory Conversion Incentive Shares and to whom such shares are to be transferred; or
- (b) if it is during the Holding Period, the Board may, at its discretion, require that the relevant participant:
 - (i) pay to the Company an amount no greater than any dividend received on crystallisation of the Incentive Shares, less the amount of any tax paid in relation to that dividend; or
 - (ii) (if no such dividend has been paid) transfer to an EBT, to the Company or to another person (as the Board may direct) the number of Ordinary Shares required to be held by the relevant participant pursuant to the provisions of the LTIP Rules, at a price per share equal to the lower of (A) the nominal value of an Ordinary Share; and (B) the closing middle market quotation of an Ordinary Share as derived from the Daily Official List on the business day prior to transfer,

and in any such case, the Board shall determine in its absolute discretion what it believes to be the appropriate number of Incentive Shares to cancel (in the case of (a) above), the appropriate amount of any payment to be made (in respect of (b)(i) above) or the number of Ordinary Shares to be transferred (in the case of (b)(ii) above) in each case having regard to the circumstances and what the Board believes to be a just and reasonable in such circumstances.

Malus and clawback provisions shall cease to apply in the event of a Change of Control or winding up of the Company. These obligations of the participants are set out in the LTIP Rules.

A summary of the rights attaching to the Incentive Shares, including those relating to conversion, is set out in paragraph 5 of Part IV (*Additional Information*) of this document.

As at the date of this document, 9,200 Incentive Shares have been issued to the Founder Directors (representing ninety-two (92) per cent. in aggregate of the total number of Incentive Shares proposed to be issued under the LTIP). The interests of the Founder Directors in the Incentive Shares are set out in paragraph 8.2 of Part IV (*Additional Information*) of this document.

In addition to the Incentive Shares in issue at the time of Admission, the Board has reserved a further 800 Incentive Shares (representing eight (8) per cent. in aggregate of the total number of Incentive Shares proposed to be issued under the LTIP) for issue to participants (or to an EBT, which may be established in the future, if the Board determines it to be appropriate to do so), if the Board considers it appropriate to issue such shares. It is currently anticipated that an EBT may be established shortly after Admission and it is not intended that any of the Incentive Shares reserved for issue will be awarded to Robin Williams or Christopher Dowling, the two Non-executive Directors at the date of this document. In the event that the Incentive Shares that have been reserved for allocation in the future are not allocated and issued, the value of the Incentive Shares at such time will accrue to the holders of the Incentive Shares then in issue.

The Directors anticipate that the Company may put in place appropriate incentivisation arrangements in the future with respect to future performance on or around the expiry of the LTIP, the beneficiaries of which could include directors of the Company at the relevant time. Shareholders would be provided with details of such arrangements and, where required, asked to approve them.

8. DIVIDEND POLICY

The Company has not yet commenced trading and the Directors therefore consider it inappropriate to make a forecast on the likelihood of any future dividends. Moreover, the Company's future dividend policy will depend on the nature of its acquisitions, which is not yet known. The payment of dividends will be subject to maintaining an appropriate level of dividend cover and the need to retain sufficient funds to finance the development of the Company's activities (including financing of businesses acquired), and for other working capital purposes. Within these parameters, the Company's dividend policy will remain continually under review.

9. CORPORATE GOVERNANCE

The Directors recognise the importance of sound corporate governance commensurate with the size of the Company and the interests of the Shareholders. So far as is practicable, the Directors intend to comply with the UK Corporate Governance Code to the extent appropriate to the size and nature of the Company, upon completion of the first acquisition by the Company.

Audit Committee

The Audit Committee shall be responsible for assisting the Board's oversight of the integrity of the financial statements and other financial reporting, the independence and performance of the auditors, the regulation and risk profile of the Group and the review and approval of any related party transactions. The Audit Committee may hold private sessions with management and the external auditor without management present.

The Audit Committee is chaired by Christopher Dowling and its other member is Robin Williams.

Remuneration Committee

The Remuneration Committee shall be responsible for considering all material elements of remuneration policy, the remuneration and incentivisation of Executive Directors and senior management and to make recommendations to the Board on the framework for executive remuneration and its cost. The role of the Remuneration Committee is to keep under review the Company's remuneration policies to ensure that the Company attracts, retains and motivates the most qualified talent who will contribute to the long-term success of the Company.

The Remuneration Committee is chaired by Robin Williams and its other member is Christopher Dowling.

Share dealing

The Company has adopted, with effect from Admission, a share dealing policy regulating trading and confidentiality of inside information for the Directors and other persons discharging managerial responsibilities (and their persons closely associated) which contains provisions appropriate for a company whose shares are admitted to trading on AIM (particularly relating to dealing during closed periods which will be in line with the EU Market Abuse Regulation (No. 596/2014)). The Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that share dealing policy. The Directors believe that the share dealing policy adopted by the Board is appropriate for a company quoted on AIM. The Board will comply with Rule 21 of the AIM Rules for Companies relating to directors' dealings and will take all reasonable steps to ensure compliance by the Company's "applicable employees" (as defined in the AIM Rules for Companies).

10. THE CITY CODE ON TAKEOVERS AND MERGERS

The Company is incorporated in England and Wales, and application will be made for the Enlarged Share Capital to be admitted to trading on AIM. The Takeover Code applies to all companies who have their registered office in the United Kingdom, Channel Islands or Isle of Man and whose securities are traded on a regulated market in the United Kingdom or a stock exchange in the Channel Islands or Isle of Man or a multilateral trading facility (such as AIM). The Takeover Code is issued and administered by the Takeover Panel and governs (amongst other things) transactions involving companies to which the Takeover Code applies. The Company is subject to the Takeover Code and therefore its Shareholders are entitled to the protection afforded by the Takeover Code.

Under Rule 9 of the Takeover Code when (i) a person acquires an interest (as defined by the Takeover Code) in shares which (taken together with shares in which he and persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code; or (ii) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company, but does not hold shares carrying more than 50 per cent. of the voting rights of the company subject to the Takeover Code, and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentage of the shares carrying voting rights in which he is interested, then in either case, that person together with the persons acting in concert with him, is normally required to make a general offer to all remaining shareholders to acquire their shares. Any such offer must be in cash, at the highest price paid by him (or any persons acting in concert with him) for any interest in shares in the company within the preceding 12 months. Under the Takeover Code, a concert party arises where persons acting together pursuant to an agreement or understanding (whether formal or informal) co-operate to obtain or consolidate control of, or frustrate the successful outcome of an offer for, a company subject to the Takeover Code.

Control means an interest or interests in shares carrying, in aggregate, 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control.

For the purposes of the Takeover Code, the Company understands that shareholders in a company before a public offering of its shares, together with their closely connected persons/friends, will be deemed to be acting in concert with each other unless the contrary can be established. The Company further understands that, until such time as the relevant shareholder of the Company prior to Admission or his or her connected persons can rebut this presumption, each of Blair Illingworth, Joanne Curin, Simon Thomas, Robin Williams and Christopher Dowling are presumed to be acting in concert for the purposes of the City Code (the "**Presumed Concert Party Group**"). On Admission, the Presumed Concert Party Group will hold 6.7 per cent. of the Company's total issued share capital.

11. RESTRICTIONS ON THE DISPOSAL OF ORDINARY SHARES

The Company has not been independent and earning revenue for at least two years. Therefore, in accordance with Rule 7 of the AIM Rules for Companies, Blair Illingworth, Joanne Curin, Simon Thomas, Robin Williams and Christopher Dowling have each agreed, conditional on Admission (i) not to dispose of any interest in Ordinary Shares for a period of 12 months following Admission (the "**Restricted Period**") save

for in those circumstances specified in Rule 7 of the AIM Rules for Companies; and (ii) for a period of six months following the expiry of the Restricted Period, except in certain limited circumstances, not to dispose of any interest in Ordinary Shares without the written consent of the Company or Numis. In aggregate, 596,001 Ordinary Shares representing 6.7 per cent. of the Enlarged Share Capital will be subject to such arrangements. No lock-in provisions will apply to any other Shareholders. Further details of the Lock-in Agreement are set out in paragraph 16.2 of Part IV (*Additional Information*) of this document.

In addition, the Directors have agreed to retain all of the new Ordinary Shares which they will receive following the crystallisation of the Incentive Shares on the trigger date pursuant to the LTIP, other than any such Ordinary Shares sold in order to make adequate provision for any tax liability which may arise in connection with such crystallisation, for a period of one year from the trigger date as described in paragraph 7 above.

12. COMPANY'S FEES AND EXPENSES

Company formation and initial expenses

The formation and initial expenses of the Company are those which have been or are necessary for the incorporation of the Company and the Placing. These expenses include a fee of £200,000 payable to Numis in relation to the Placing. However, the fee will be satisfied by the issue to Numis of Ordinary Shares at the Placing Price. These expenses, including company registration and admission fees, printing and distribution costs and legal fees will be charged to equity together with any other applicable expenses. The costs and expenses incurred by the Company which are not considered, for accounting purposes, to directly relate to the Placing (such as marketing expenses, Directors' fees and pre-Admission employee costs) will be expensed to the income statement in the first period of account. It is anticipated that the formation and initial expenses incurred since 1 January 2018, excluding ongoing operating costs, should not exceed 6 per cent. of the gross proceeds of the Placing, being the only funds raised since incorporation.

Ongoing and annual expenses of the Company

The Company will also incur ongoing annual listing, secretarial, administration and operating expenses which will include the following:

(a) *Nominated Adviser and Broker Agreement*

Numis has agreed to act as nominated adviser and joint broker to the Company for the purposes of the AIM Rules for Companies. Numis will receive an annual fee of £10,000 (until the time of the first acquisition) which will be reviewed on an annual basis. Further details relating to this agreement are set out in paragraph 16.3 of Part IV (*Additional Information*) of this document.

(b) *Other operational expenses*

The Company will, in addition, pay the costs and expenses of the Group including: (i) Directors' fees and salaries as well as salaries of any staff; (ii) other organisational and operating expenses including rent; (iii) charges and expenses of legal advisers and independent auditors and registrars; (iv) broker commissions (if any) and any issue or transfer taxes chargeable in connection with its investment transactions; (v) all taxes and corporate fees payable to governments or agencies; (iv) communication expenses with respect to investor services and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, admission documents and similar documents; (vi) the cost of insurance for the benefit of its Directors (if any) and; (vii) litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business. These expenses will be deducted solely from the assets of the Company.

(c) *Non-operational expenses*

The Company may, in addition to the above, pay non-operational expenses, for example, but not limited to, the costs to support the acquisition of a target company, including due diligence and professional advisor fees.

13. TAXATION

Attention is drawn to the sections on UK taxation contained in paragraph 15 of Part IV (*Additional Information*) of this document. If you are in any doubt as to your tax position, or you are subject to tax in a jurisdiction other than the United Kingdom, you should consult your own professional adviser immediately.

14. REPORTS AND FINANCIAL STATEMENTS

The Group's accounting reference date is 31 March and accordingly the Group's first annual financial statements will be made to 31 March 2019. Interim financial statements will be made up to 30 September in each year, starting 30 September 2018. Audited financial statements of the Company will be available to Shareholders as soon as practicable and in any event within six months of the financial year end and the interim financial statements of the Company will be available to Shareholders as soon as practicable and in any event within three months of the half-year end.

The Company's financial statements will be prepared in accordance with applicable International Financial Reporting Standards as adopted in the European Union, with the interim financial statements presented and prepared in a form consistent with that which will be adopted in the annual financial statements.

As the Company is an acquisition vehicle, it does not propose to publish its net asset value other than through the publication of its accounts.

15. SETTLEMENT, DEALING ARRANGEMENTS AND CREST

Application has been made to the London Stock Exchange for all the Ordinary Shares (including the Placing Shares) to be admitted to trading on AIM. It is expected that Admission will be effective and that dealings in the Enlarged Share Capital of the Company will commence on 6 March 2018.

Following Admission, all of the Ordinary Shares will be in registered form and share certificates representing the new Ordinary Shares to be issued pursuant to the Placing are expected to be despatched by post to subscribers who wish to receive Ordinary Shares in certificated form, by no later than 20 March 2018. No temporary documents of title will be issued in connection with the Placing. Pending the despatch of the definitive share certificates, instruments of transfer will be certified against the register of members of the Company.

In respect of subscribers who will receive Placing Shares in uncertificated form, Ordinary Shares will be credited to their CREST stock accounts on 6 March 2018. The Company reserves the right to issue any Ordinary Shares in certificated form should it consider this to be necessary or desirable.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. CREST is a voluntary system and applicants who wish to receive and retain certificates will be able to do so. The Articles permit the holding of Ordinary Shares in CREST. The Company will apply for the Enlarged Share Capital to be admitted to CREST on the date of Admission. Accordingly, settlement of transactions in the uncertificated Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes.

16. ADDITIONAL INFORMATION

The attention of prospective investors is drawn to Part IV (*Additional Information*) of this document which provides additional information on the Company. In particular, prospective investors are advised to consider carefully the risk factors set out in Part II (*Risk Factors*) of this document.

17. USE OF DERIVATIVES

The Company may consider the use of certain financial derivative products in order to effect its investment strategy, from time to time, as decided by the Board.

18. TREASURY POLICY

The Company is permitted to invest cash held by it in cash deposits, gilts and money market funds. The Company intends to ensure that surplus cash balances will be managed with the following objectives: (i) to ensure they are sufficiently liquid; and (ii) to deliver appropriate returns having regard to risk.

The Company may hold cash in currencies other than pounds sterling. Cash held pending investment will not, as a matter of course, be placed in escrow pending approval of the first acquisition.

PART II

RISK FACTORS

An investment in Ordinary Shares involves a high degree of risk. Accordingly, before making a final decision prospective investors should carefully consider the specific risk factors set out below in addition to the other information contained in this document before investing in Ordinary Shares. No assurance can be given that Shareholders will realise a profit or will avoid a loss on their investment.

The Board has identified the following risks which it considers to be the most significant for potential investors in the Company. The risks referred to below do not purport to be exhaustive and are not set out in any particular order of priority and potential investors should review this document carefully in its entirety and consult with their professional advisers before acquiring Ordinary Shares.

If any of the following events identified below occur, the Company's business, financial condition, capital resources, results and/or future operations and prospects could be materially adversely affected. In that case, the market price of the Ordinary Shares could decline and investors may lose part or all of their investment.

Additional risks and uncertainties not currently known to the Board or which the Board currently deem immaterial may also have an adverse effect on the Company's business. In particular, the Company's performance may be affected by changes in the market and/or economic conditions and in legal, regulatory and tax requirements. An investment in Ordinary Shares described in this document is speculative. A prospective investor should consider carefully whether an investment in the Company is suitable in light of his, her or its individual circumstances and the financial resources available to him, her or it. If you are in any doubt about the action you should take, you should consult your independent financial adviser authorised under FSMA.

RISKS RELATING TO THE COMPANY'S FUTURE BUSINESS AND POTENTIAL STRUCTURE

The Company is a newly formed entity with no trading history

The Company has not, since incorporation, carried on any trading activities. Accordingly, as at the date of this document, the Company has no historical financial statements or other meaningful operational or financial data upon which prospective investors may base an evaluation of the Company, its strategy or its prospect. The value of any investment in the Company is, therefore, wholly dependent upon the successful implementation of the Investment Policy described in paragraph 2 of Part I (*Information on the Company*) of this document. As such, the Company is subject to all of the risks and uncertainties associated with any newly established business enterprise including the risk that the Company will not achieve its investment objectives and that the value of an investment in the Company could decline and may result in the loss of capital invested. The past performance of companies, assets or funds managed by the Directors, or persons affiliated with them, in other ventures in a similar sector or otherwise, is not necessarily a guide to the future business, results of operations, financial condition or prospects of the Company. Investors will be relying on the ability of the Company and the Directors to identify potential acquisition targets, evaluate their merits, conduct diligence and negotiations.

The Company may be unable to identify appropriate or complete acquisitions

Although the Company has identified a number of potential investment opportunities, it is not currently in formal or exclusive discussions with any asset vendors. The Company's future success is dependent upon its ability not only to identify opportunities but also to execute successful acquisitions and/or investments. There can be no assurance that the Company will be able to conclude agreements with any target business and/or shareholders in the future and failure to do so could result in the loss of an investor's investment. In addition, the Company may not be able to raise the additional funds required to acquire any target business.

In accordance with the AIM Rules for Companies, if the Company fails to make an acquisition or has not substantially implemented its Investment Policy within 18 months of Admission, the Company will seek

Shareholder approval for its Investment Policy at each subsequent annual general meeting until such time as there has been an acquisition or the Investment Policy has been substantially implemented. The Directors will, at any subsequent annual general meeting, ask Shareholders to consider whether to wind up the Company and return funds (after payment of the expenses and liabilities of the Company) to Shareholders.

In such circumstances, there can be no assurance as to the particular amount or value of the remaining assets at such future time of any such distribution either as a result of costs from an unsuccessful acquisition or from other factors, including disputes or legal claims which the Company is required to pay out, the cost of the liquidation event and dissolution process, applicable tax liabilities or amounts due to third party creditors. Upon distribution of assets on a liquidation event, such costs and expenses will result in investors receiving less than the initial subscription price and investors who acquired Ordinary Shares after Admission potentially receiving less than they invested.

The Company may face significant competition for acquisition opportunities

There may be significant competition in some or all of the acquisition opportunities that the Company may explore. Such competition may for example come from strategic buyers, sovereign wealth funds, special purpose acquisition companies and public and private investment funds, many of which are well established and have extensive experience in identifying and completing acquisitions. A number of these competitors may possess greater technical, financial, human and other resources than the Company. The Company cannot assure investors that it will be successful against such competition. Such competition may cause the Company to be unsuccessful in executing an acquisition or may result in a successful acquisition being made at a significantly higher price than would otherwise have been the case which could materially adversely impact the business, financial condition, result of operations and prospects of the Company.

Material facts or circumstances may not be revealed in the Company's due diligence of prospective investments, exposing the Company to unknown risks

Prior to making or proposing any investment, the Company intends to undertake due diligence on potential acquisition targets to a level considered reasonable and appropriate by the Company on a case by case basis. However, these efforts may not reveal all facts or circumstances that would have a material adverse effect upon the value of the investment. In undertaking due diligence, the Company will need to utilise its own resources and may elect to rely upon third parties to conduct certain aspects of the due diligence process. Further, the Company may not have the ability to review all documents relating to the target company and assets. Any due diligence process involves subjective analysis and there can be no assurance that due diligence will reveal all material issues related to a potential investment. Any failure to reveal all material facts or circumstances relating to a potential investment may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Assumptions made about the future performance of the Company may fall below expectations

The Board may decide to make certain investments on the basis of assumptions it believes to be correct on the company's ability to improve future performance of the acquired company. Certain assumptions made in relation to the revenue potential or the costs may turn out to be incorrect, resulting in performance and shareholder returns falling short of expectations.

The Company may require additional funding which may result in the dilution of Shareholders' interests

The Net Proceeds of the Placing will be insufficient to fund in full suitable acquisitions and/or investments identified by the Board. Accordingly, the Company intends to seek additional sources of financing (equity and/or debt) to implement its strategy. There can be no assurance that the Company will be able to raise those funds, whether on acceptable terms or at all.

The Company may seek debt financing to fund part of any future acquisition. The incurrence by the Company of substantial indebtedness in connection with an acquisition could result in:

- (a) default and foreclosure on the Company's assets, if its cash flow from operations was insufficient to pay its debt obligations as they become due; or

- (b) an inability to obtain additional financing, if any indebtedness incurred contains covenants restricting its ability to incur additional indebtedness.

An inability to obtain debt financing may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company. If such financing is obtained the Company's ability to raise further finance and its ability to operate its business may be subject to restrictions.

The occurrence of any or a combination of these, or other, factors could decrease Shareholders' proportional ownership interests in the Company or have a material adverse effect on its financial condition and results of operations.

The companies or businesses in which the Company invests may also have borrowings. Although such facilities may increase investment returns, they also create greater potential for loss. This includes the risk that the borrower will be unable to service the interest repayments, or comply with other requirements, rendering the debt repayable, and the risk that available capital will be insufficient to meet required repayments. There is also the risk that existing borrowings will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing borrowings. A number of factors (including changes in interest rates, conditions in the banking market and general economic conditions), all of which are beyond the Company's control, may make it difficult for the Company to obtain new financing on attractive terms or at all, which could have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

The Company may become exposed to risks relating to future gearing

The Company, either directly or through subsidiaries, may be geared through borrowings, which would typically be secured on its investments. The Company's borrowing may exceed this threshold, subject to Shareholder approval by way of an ordinary resolution. If the costs of the Group's borrowings exceed the return on the Group's assets, the borrowings may have a negative effect on the Group's performance. If the Group cannot generate adequate cash flows to meet any debt service obligations, it may suffer a partial or total loss of its capital. In the event that the Group enters into a bank facility agreement, such agreement may contain financial covenants. The agreement may require that in the event that any such financial covenant is breached or if any other covenant is breached the Group may be required to repay the borrowings in whole or in part. In such circumstances, the Group may be required to sell, in a limited time, some or all of its assets, potentially in circumstances where there has been a downturn in values in the sector generally, such that the realisation proceeds do not reflect the Group's valuation of the assets.

The value of the Net Proceeds may decrease pending completion of the Company's first acquisition

In order to mitigate foreign exchange risks, the Company may transfer its liquid assets to a bank account denominated in a currency other than pounds sterling, as approved by the Directors. In connection with the completion of its first acquisition, the Company may transfer its liquid assets to a cash account. The Company's assets will be subject to market fluctuations and there can be no assurance that any appreciation in the value of the assets will occur; as a result, the value of such assets is not guaranteed. The Net Proceeds will not be placed in any form of trust or escrow account. The Company may be exposed to the insolvency of the institution(s) which holds its liquid assets. In case of their failure, the Company may lose all, or a material part of its assets or be subject to catastrophic liquidity constraints. The Company will principally seek to preserve capital and therefore the interest rate earned on these deposits is likely to reflect the highly rated, investment grade status of the instrument. Interest on the Net Proceeds so deposited may be significantly lower than the potential returns on the Net Proceeds had the Company completed an acquisition sooner or deposited or held the money in other ways.

The Company may be unable to successfully implement its Investment Policy

The Company's level of profit will be reliant upon the performance of the assets acquired and the Investment Policy. The success of the Investment Policy depends on the Directors' ability to identify investments in accordance with the Company's investment objectives and to interpret market data correctly. No assurance can be given that the strategy to be used will be successful under all or any market conditions or that the Company will be able to generate positive returns for Shareholders. If the Investment Policy is not

successfully implemented, this could adversely impact the business, development, financial condition, results of operations and prospects of the Company.

Changes in the Investment Policy may occur

The Company's Investment Policy may be modified and altered from time with any material change being made with the approval of Shareholders, so it is possible that the approaches adopted to achieve the Company's investment objectives in the future may be different from those the Directors currently expect to use and which are disclosed in this document. Any such change could adversely impact the business, development, financial condition, results of operations and prospects of the Company.

The Company may be unable to refocus and improve the operating and financial performance of an acquired business

The success of the Company's acquisitions may depend in part on the Company's ability to implement the necessary technological, strategic, operational and financial change programmes in order to transform the acquired business and improve its financial performance. Implementing change programmes within an acquired business may require significant modifications, including changes to hardware and other business assets, operating and financial processes and technology, software, business systems, management techniques and personnel, including senior management. There is no certainty that the Company will be able to successfully implement such change programmes within a reasonable timescale and cost, and any inability to do so could have a material adverse impact on the Company's performance and prospects.

The Company will be highly dependent on the expertise of the Directors

The Company will be highly dependent on the expertise and continued service of the Directors and other senior employees. The experience and commercial relationships of Blair Illingworth, Joanne Curin and Simon Thomas in particular are expected to provide the Company with a competitive edge. However, any one of the Directors could give notice to terminate their employment agreements at any time and their loss may have an adverse effect on the Company's business.

In addition, there is a risk that the Company will not be able to recruit executives of sufficient expertise or experience to maximise any opportunities that present themselves, or that recruiting and retaining those executives is more costly or takes longer than expected. The failure to attract and retain those individuals may adversely affect the Company's operations.

The Company could incur costs for transactions that may ultimately be unsuccessful

There is a risk that the Company may incur substantial legal, financial and advisory expenses arising from unsuccessful transactions which may include public offer and transaction documentation, legal, accounting and other due diligence which could have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Once an acquisition is completed, the Company will be a holding company whose principal source of operating cash will be income received from the business it has acquired

Once an acquisition is completed, the Company may be dependent on the income generated by the acquired business to meet the Company's expenses, operating cash requirements and any debt costs. The amount of distributions and dividends, if any, which may be paid from any operating subsidiary to the Company will depend on many factors, including such subsidiary's results of operations and financial condition, limits on dividends under applicable law, its constitutional documents, documents governing any indebtedness of the Company, and other factors which may be outside the control of the Company. If the acquired business is unable to generate sufficient cash flow, the Company may be unable to pay its expenses or make distributions and pay dividends on the Ordinary Shares.

Shareholders' interests will be diluted as a result of the conversion of Incentive Shares issued under the LTIP

If the performance criteria set out in the Articles relating to the Incentive Shares that are issued pursuant to awards granted under the LTIP are met, and the Board elects not to pay a dividend on the Incentive Shares (in whole or in part) but instead determines that the Incentive Shares should convert into Ordinary Shares in accordance with the rights set out in the Articles, the existing Shareholders' interests in the Company will be diluted. A summary of the LTIP and the rights attaching to the Incentive Shares, as well as a summary of the performance criteria attaching to such shares, is set out in paragraph 7 of Part I (*Information on the Company*) of this document.

The Company may be exposed to interest rate risk

Changes in interest rates can affect the Group's profitability by affecting the spread between, among other things, the income on its assets and the expense of any interest-bearing liabilities it has, the value of any interest earning assets and its ability to make an acquisition. In the event of a rising interest rate environment and/or economic downturn, loan defaults may increase and result in credit losses that may be expected to affect the Group's operating results adversely. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Group.

The Group may finance its activities with both fixed and floating rate debt. With respect to any floating rate debt, the Group's performance may be affected adversely if it fails to limit the effects of changes in interest rates on its operations by employing an effective hedging strategy, including engaging in interest rate swaps, caps, floors or other interest rate contracts, or buying and selling interest rate futures or options on such futures. There can, however, be no assurance that such arrangements will be entered into or be available at all times when the Group wishes to use them or that they will be sufficient to cover the risk. The Group may be exposed to the credit risk of any relevant counterparty with respect to relevant payments under derivative instruments it enters into pursuant to any hedging strategy and any of those factors may affect the Group's operating results adversely.

The Company may make disposals at a loss

Although the Company intends to hold any acquired companies or businesses, together being a single target business, on a long term basis, the Company may make investments that it cannot realise through trade sale or flotation at an acceptable price. Some investments may be lost through insolvency. Any of these circumstances could have a negative impact on the profitability and value of the Company.

The Company may be exposed to foreign investment and exchange risks

The Company's functional and presentational currency is pounds sterling. As a result, the Company's consolidated financial statements will carry the Company's assets in pounds sterling. Any business the Company acquires may denominate its financial information, conduct operations or make sales in currencies other than pounds sterling. When consolidating a business that has functional currencies other than pounds sterling, the Company will be required to translate, *inter alia*, the balance sheet and operational results of such business into pounds sterling. As a result, changes in exchange rates between pounds sterling and other currencies could lead to significant changes in the Company's reported financial results from period to period. Among the factors that may affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political or regulatory developments. Although the Company may seek to manage its foreign exchange exposure, including by active use of hedging and derivative instruments, there is no assurance that such arrangements will be entered into or available at reasonable cost at all times when the Company wishes to use them or that they will be sufficient to cover the risk and this may have a negative impact on the profitability and value of the Company. Alternatively, the Company may consider changing its reporting currency in the future to a currency other than pounds sterling if the first acquisition or any bolt-on acquisition makes it practical to do so.

The Company will be subject to restrictions in offering its Ordinary Shares as consideration for an acquisition in certain jurisdictions and may have to provide alternative consideration, which may have an adverse effect on its operations

The Company may offer its Ordinary Shares or other securities as part of the consideration to fund, or in connection with, an acquisition. However, certain jurisdictions may restrict the Company's use of its Ordinary Shares or other securities for this purpose, which could result in the Company needing to use alternative sources of consideration. Such restrictions may limit the Company's available acquisition opportunities or make certain acquisitions more costly which may have an adverse effect on its operations.

The Company may be unable to transfer to another venue following the first acquisition

Following completion of the first acquisition, the Directors may seek to transfer from the Company's admission on AIM to a Standard Listing, Premium Listing or other listing venue, based on the track record of the company or business it acquires, subject to fulfilling the relevant eligibility criteria at the time. There can be no guarantee that the Company will meet such eligibility criteria or that a transfer to a Standard Listing, Premium Listing or other listing venue will be achieved. For example, such eligibility criteria may not be met, due to the circumstances and internal control systems of the acquired business or if the Company acquires less than a controlling interest in the target. In addition there may be a delay, which could be significant, between the completion of the first acquisition and the date upon which the Company is able to seek or achieve a Standard Listing, Premium Listing or a listing on another stock exchange.

If the Company does not seek or achieve a transfer to another listing venue, the Company will need to meet the eligibility criteria for re-admission to AIM following the first acquisition. A change of or failure to change listing venue may have an adverse effect on the valuation of the Ordinary Shares. Alternatively, in addition to, or in lieu of seeking a Standard or Premium Listing, the Company may determine to seek a listing on another stock exchange, which may not have standards of corporate governance comparable to those required by AIM, or a Standard or Premium Listing, or which Shareholders may otherwise consider to be less attractive or convenient.

RISKS RELATING TO THE ORDINARY SHARES AND THEIR TRADING ON AIM

An active trading market for the Ordinary Shares may not be developed or sustained

Prior to Admission, there will have been no public market for the Ordinary Shares. Whilst the Ordinary Shares will be admitted to trading on AIM, there can be no assurance that an active trading market for the Ordinary Shares will develop or, if developed, be sustained following Admission. The Placing Price has been agreed between the Company and Placees under the Placing and may not be indicative of the market price following Admission. Even if an active trading market develops, the market price for Ordinary Shares may fall below the Placing Price, perhaps substantially. As a result of fluctuations in the market price of Ordinary Shares, investors may not be able to sell their Ordinary Shares at or above the Placing Price, or at all.

The Ordinary Shares may suffer from illiquidity or significant fluctuations in value as a result of their admission to AIM or other circumstances outside the Company's control

The shares of publicly traded companies can have limited liquidity and their share prices can be highly volatile.

In particular, an investment in shares traded on AIM may be less liquid and may carry a higher risk than an investment in shares traded on the London Stock Exchange's main market. The AIM Rules for Companies are less demanding than those which apply to companies traded on the London Stock Exchange's main market. Further, the FCA has not itself examined or approved the contents of this document. A prospective investor should be aware of the risks of investing in such shares and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under FSMA.

Moreover, the price at which the Ordinary Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Company and its operations and others which may affect companies operating within a particular sector or quoted companies

generally, which are outside the Company's control. A relatively small movement in the value of an investment or the amount of income derived from it may result in a disproportionately large movement, unfavourable as well as favourable, in the value of the Ordinary Shares or the amount of income received in respect thereof.

Prospective investors should be aware that the value of the Ordinary Shares could go down as well as up, and investors may therefore not recover their original investment. Furthermore, the market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets.

The investment opportunity offered in this document may not be suitable for all recipients of this document. Prospective investors are therefore strongly recommended to consult an independent financial adviser authorised under FSMA who specialises in advising on investments of this nature before making an investment decision.

Risk relating to the Company's investing company status

The Company is currently considered to be an investing company for the purposes of the AIM Rules for Companies. As a result, it may benefit from certain partial carve-outs to the AIM Rules for Companies, such as those in relation to the classification of Reverse Takeovers. Were the Company to lose investing company status for any reason, such carve-outs would cease to apply. In particular, it is anticipated that any first acquisition will constitute a Reverse Takeover and upon completion of such acquisition, the Company may cease to be an investing company.

Completion of the Company's first acquisition is expected to require compliance with the AIM Rules for reverse takeovers

As the Company is an investing company, it is likely that the Company's financial resources will be invested in just one or a small number of projects or investments. Either route may trigger a Reverse Takeover under the AIM Rules for Companies which will be subject to prior Shareholder approval and re-admission to AIM or another listing venue for the enlarged entity.

Shareholders should note that where a transaction is considered to be a Reverse Takeover for the purposes of the AIM Rules for Companies and the Shareholders approve any such transaction, trading on AIM in the Ordinary Shares will be cancelled and re-admission to AIM or another listing venue will be required to be sought in the same manner as any other applicant applying for admission of its securities for the first time. Trading in the Ordinary Shares will normally be suspended following the announcement of any such transaction until the Company has published a re-admission document in respect of the Company.

The interests of significant Shareholders may conflict with those of other Shareholders

On Admission, it is expected that approximately 67 per cent. of the Company's issued share capital will be held by 7 Shareholders. Such Shareholders will, as a result, be able to exercise a significant degree of influence over, and in some cases determine, the outcome of certain of the Company's corporate actions to be considered by the Company's other Shareholders. The interests of such significant Shareholders may conflict with those of other holders of Ordinary Shares.

Dilution of Shareholders' interest as a result of additional equity fundraising

The Company intends to issue additional Ordinary Shares in subsequent public offerings or private placements to fund acquisitions or as consideration for acquisitions. However, existing Shareholders may not always be offered the right or opportunity to participate in such future share issues, which may dilute the existing Shareholders' interests in the Company. Furthermore, the issue of additional Ordinary Shares may be on more favourable terms than the Placing.

The Company may need to raise additional funds in the future to finance, amongst other things, working capital, expansion of the business, new developments relating to existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a pro rata basis to existing Shareholders, the percentage ownership of the existing Shareholders

may be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Ordinary Shares.

Lock-in arrangements

Blair Illingworth, Joanne Curin, Simon Francis, Robin Williams and Christopher Dowling have each agreed, conditional on Admission; (i) not to dispose of any interest in Ordinary Shares for a period of 12 months following Admission except for in those circumstances specified in Rule 7 of the AIM Rules for Companies; and (ii) for a period of six months following the expiry of the 12-month period, except in certain limited circumstances, not to dispose of any interest in Ordinary Shares without the written consent of the Company or Numis. Although there is no present intention or arrangement to do so, any of such persons may, following the expiry of this aggregate 18-month lock-in period, sell their Ordinary Shares without restriction. The market price of Ordinary Shares could decline significantly as a result of any sales of Ordinary Shares by any of such persons following expiry of the lock-in period (or otherwise), as detailed in paragraph 16.2 of Part IV (*Additional Information*) of this document or the perception that such a sale could occur.

RISKS RELATING TO INVESTMENT BY PLAN INVESTORS

The Company cannot be certain that its assets will not be deemed to be “plan assets” of any US Plan Investor or Other Plan Investor under the US Plan Asset Regulations, or other Similar Law, and a prospective investor’s ability to invest in the Ordinary Shares, or to transfer any Ordinary Shares that it holds, may be limited by certain ERISA, US Tax Code and other considerations

The Company will use commercially reasonable efforts to restrict the ownership and holding of its Ordinary Shares so that none of its assets will constitute “plan assets” of any US Plan Investor or Other Plan Investor under the US Plan Assets Regulations or other Similar Law. The Company intends to impose such restrictions based on actual or deemed representations. However, the Company cannot guarantee that Ordinary Shares will not be acquired by US Plan Investors or Other Plan Investors. If the Company’s assets were deemed to be plan assets of any US Plan Investor and the Company did not qualify as an “operating company” within the meaning of the US Plan Asset Regulations, among other consequences: (i) the prudence and fiduciary responsibility standards of ERISA would apply to transactions involving the management or disposition of the assets of the Company; and (ii) certain transactions, including transactions that the Company may enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under section 406 of ERISA and/or section 4975 of the US Tax Code and might have to be rescinded. A non-exempt prohibited transaction, in addition to imposing potential liability on fiduciaries of the US Plan Investor, may also result in the imposition of an excise tax on “parties in interest” (as defined in ERISA) or “disqualified persons” (as defined in the US Tax Code), with whom the US Plan Investor engages in the transaction. Other Plan Investors, while not subject to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA or section 4975 of the US Tax Code, may nevertheless be subject to other Similar Law.

Please refer to Part V (*Terms and Conditions of the Placing*) for a more detailed description of restrictions on investments by US Plan Investors and Other Plan Investors in the Company’s Ordinary Shares as result of certain ERISA, US Tax Code and other considerations. However, the procedures described therein may not be effective in avoiding characterisation of the Company’s assets as “plan assets” of US Plan Investors and Other Plan Investors under the US Plan Asset Regulations or other Similar Law, and, as a result, the Company may suffer the consequences described above.

RISKS RELATING TO LEGISLATION AND REGULATIONS

Legislative and regulatory risks

Any investment is subject to changes in regulation and legislation. As the direction and impact of changes in regulations can be unpredictable, there is a risk that regulatory developments will not bring about positive changes and opportunities, or that the costs associated with those changes and opportunities will be significant. In particular, there is a risk that regulatory change will bring about a significant downturn in the prospects of one or more acquired businesses, rather than presenting a positive opportunity.

Taxation

There can be no certainty that the current taxation regime in England and Wales or overseas jurisdictions in which the Company may operate in the future will remain in force or that the current levels of corporation taxation will remain unchanged. Any change in the tax status of the Company or to applicable tax legislation may have a material adverse effect on the financial position of the Company.

Suitability for investment

As an investment vehicle incorporated in England and Wales, the Company may only be marketed to, and is only suitable as an investment for, sophisticated investors with an understanding of the risks inherent in investment and an ability to accept the potential total loss of all capital invested in the Company.

GENERAL RISKS

The United Kingdom's exit from the European Union could affect the Company

The determination by the United Kingdom to serve notice on 29 March 2017 to exit the European Union pursuant to Article 50 of the Treaty of Lisbon ("**Brexit**"), means the United Kingdom is likely to leave the European Union no later than April 2019.

Brexit could have significant effect, particularly to the extent it seeks to acquire businesses with a significant presence in the European Union, on the Company. The extent of the effect would depend in part on the nature of the arrangements that are put in place between the United Kingdom and the European Union following Brexit and the extent to which the United Kingdom continues to apply laws that are based on European Union legislation. In addition, the macroeconomic effect of Brexit on the Company's business (following completion of its first and subsequent acquisitions) is unknown. As such, it is not possible to state the effect that Brexit would have on the Company. It could also potentially make it more difficult for the Company to operate its business in the EU as a result of any increase in tariffs and/or more burdensome regulations being imposed on UK companies. This could restrict the Company's future prospects and adversely impact its financial condition.

The general economic climate may be adverse for the Company

The Company may acquire or make investments in companies and businesses that are susceptible to economic recessions or downturns. During periods of adverse economic conditions, the markets in which the Company operates may decline, thereby potentially decreasing revenues and causing financial losses, difficulties in obtaining access to, and fulfilling commitments in respect of, financing, and increased funding costs. In addition, during periods of adverse economic conditions, the Company may have difficulty accessing financial markets, which could make it more difficult or impossible for the Company to obtain funding for additional investments and negatively affect the Company's net asset value and operating results. Accordingly, adverse economic conditions could adversely impact the business, development, financial condition, results of operations and prospects of the Company.

There is also a risk that new economic, legal, social and tax policies may be introduced in certain countries under new national and regional administrations, including the United States, which could potentially have an adverse impact on the trading conditions for the Company.

PART III

HISTORICAL FINANCIAL INFORMATION OF THE COMPANY



KPMG LLP

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Section A: Accountant's report on the historical financial information of the Company

The Directors
Stirling Industries plc
Suite 1, 3rd Floor
11 – 12 St James's Square
London
SW1 4LB

1 March 2018

Ladies and Gentlemen

Stirling Industries plc

We report on the financial information set out on pages 32 to 34. This financial information has been prepared for inclusion in the AIM Admission Document dated 1 March 2018 of Stirling Industries plc on the basis of the accounting policies set out note 1. This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of Stirling Industries plc are responsible for preparing the Financial Information on the basis of preparation set out in note 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Financial Information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the AIM Admission Document dated 1 March 2018, a true and fair view of the state of affairs of Stirling Industries plc and of its results, cash flows and statement of changes in equity for the period ended 19 February 2018 in accordance with the basis of preparation set out in note 1 and in accordance with International Financial Reporting Standards as adopted by the European Union as described in note 1.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

KPMG LLP

Section B: Historical financial information of the Company

Balance Sheet

	<i>Note</i>	<i>19 February 2018</i>
		<i>£</i>
ASSETS		
<i>Current assets</i>		
Cash at bank		3
Total assets		<u>3</u>
<i>EQUITY & LIABILITIES</i>		
Equity		
Called up share capital	2	3
Retained earnings		<u>—</u>
Total equity		<u>3</u>
<i>Current liabilities</i>		
Amounts due to related parties		—
Trade and other payables		<u>—</u>
Total liabilities		<u>—</u>
Total equity and liabilities		<u>3</u>

Income Statement

There have been no transactions in the period, and therefore, no income statement has been presented.

Statement of cash flows

There have been no transactions in the period, and therefore, no statement of cashflows has been presented.

Statement of changes in equity

In the period, there has been an issue of share capital of £3, representing 3 ordinary shares of £1 each.

Notes to the Financial Information

1. Basis of preparation

Sterling Industries plc (the “**Company**”) was incorporated on 13 February 2018 in the UK and its registered address is Suite 1, 3rd Floor, 11-12 St. James’s Square, London, SW1Y 4LB. The Company has not yet commenced business, no audited financial statements have been made up and no dividends have been declared or paid since the date of incorporation. The entity’s operations and principal activities of the business are that of an investing company with an intention to acquire other businesses in line with their investment strategy.

The financial information has been prepared for the purposes of the Admission Document in accordance with the requirements of Paragraph (a) of Schedule Two of the AIM Rules for Companies and in accordance with International Financial Reporting Standards as adopted by the EU (“**Adopted IFRSs**”). For the purposes of this financial information, the deemed date of transition to IFRS of the Company is the date of incorporation which is the beginning of the first period presented. This financial information is not the Company’s statutory accounts. The first set of statutory financial statements will be prepared for the period ending 31 March 2019.

The financial information is presented in pounds sterling, and has been prepared under the historical cost convention.

The Company has no operations and therefore no segmental information is presented and that the basic and diluted EPS is nil.

Accounting policies

Receivables

Receivables are stated at their amortised cost using the effective interest method, less impairment losses.

2. Capital and reserves

<i>Share Capital</i>	£
<i>Allotted, called up and fully paid</i>	
3 ordinary shares of £1 were issued upon incorporation of the Company.	3

3. Director remuneration

No director received remuneration in respect of their duties as directors of the company during the period ended 19 February 2018.

4. Post balance sheet events

1. On 27 February 2018, the Company issued 49,997 ordinary shares of £1.00 each in the capital of the Company. These shares were issued to Blair Illingworth and were issued credited as fully paid. £12,500 was paid in on 26 February 2018 and the Company has signed an undertaking to receive the remaining £37,497 conditional on Admission.
2. On 27 February 2018, each ordinary share of £1.00 each in the capital of the Company was sub-divided into, and re-designated as 1 ordinary share of £0.01 each and 1 deferred share of £.099 each.
3. On 27 February 2018, the Company issued the following incentive shares of £1.00 each in the capital of the Company pursuant to awards made under The Stirling Industries plc Long-Term Incentive Scheme: (a) 4,000 incentive shares to Blair Illingworth for an aggregate subscription price of £8,000; (b) 2,000 incentive shares to Simon Thomas for an aggregate subscription price of £4,000; (c) 2,000 incentive shares to Joanne Curin for an aggregate subscription price of £4,000; (d) 800 incentive shares to Robin Williams for an aggregate subscription price of £1,600; and (e) 400 incentive shares to Christopher Dowling for an aggregate subscription price of £800. These

shares were issued credited as fully paid. Further information on the incentive shares can be found on pages 38 to 46 of this document.

4. On 27 February 2018, the Company entered into a sale and purchase agreement with Blair Illingworth pursuant to which Mr Illingworth agreed to sell and the Company agreed to purchase, with effect from immediately after Admission, the share capital of Stirling Group Holdings Limited, a private limited company incorporated in England and Wales. The consideration for such sale and purchase is to be satisfied by the issue to Mr Illingworth of 1 ordinary share of £0.01 each in the Company credited as fully paid.
5. On 28 February 2018, each director of the Company executed a deed of gift pursuant to which such director agreed to gift the Company all of the deferred shares of £0.99 each held by that director conditional on admission of the Company's ordinary shares to trading on AIM, a market of the London Stock Exchange plc, and the directors of the Company resolved to cancel all such gifted deferred shares with effect from Admission.

PART IV

ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENTS

The Directors, whose names are set out on page 6 of this document, and the Company, accept responsibility, both individually and collectively, for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. INCORPORATION AND STATUS OF THE COMPANY

- 2.1 The Company was incorporated and registered in England and Wales on 13 February 2018 under the Companies Act as a public limited company with registered number 11203731.
- 2.2 The Company is a public limited company and accordingly, the liability of its Shareholders is limited to the amount paid up or to be paid up on their shares.
- 2.3 The Company is governed by the Articles, and the principal legislation under which the Company operates and under which the Placing Shares have been or will be created is the Companies Act. The Company is tax resident in the United Kingdom.
- 2.4 The head and registered office of the Company is at Suite 1, 3rd Floor, 11-12 St. James's Square, London, SW1 4LB (telephone number: 0207 400 3333).
- 2.5 The Company's website address, at which the information required by Rule 26 of the AIM Rules for Companies can be found, is www.stirlingplc.com.

3. SHARE CAPITAL

- 3.1 On incorporation the issued share capital of the Company consisted of 3 ordinary shares of £1.00 each.
- 3.2 On 27 February 2018, the Company passed the following written resolutions:
 - (A) to authorise the Directors generally and unconditionally for the purposes of section 551 of the Companies Act to exercise all the powers of the Company to allot 49,997 ordinary shares of £1.00 each in the capital of the Company to Blair Illingworth, credited as fully paid;
 - (B) subject to the allotment of the ordinary shares pursuant to the resolution in sub-paragraph (A) above, to sub-divide each ordinary share of £1.00 each in the capital of the Company into 1 ordinary share of £0.01 each and 1 deferred share of £0.99 each;
 - (C) to adopt the New Articles with immediate effect;
 - (D) conditional only on the adoption by the Board of the LTIP, the Directors were generally and unconditionally authorised for the purposes of section 551 of the Companies Act to exercise all the powers of the Company to allot shares and grant rights to subscribe for, or convert any security into shares up to 10,000 Incentive Shares in connection with the LTIP; and
 - (E) the Directors were generally and unconditionally authorised pursuant to section 570(1) of the Companies Act to allot equity securities (as defined in section 560(1) of the Companies Act) of the Company for cash pursuant to the authorities conferred by the resolutions referred to in sub-paragraphs (A) and (D) above is as if section 561 of the Companies Act did not apply to such allotment.

- 3.3 On 27 February 2018, 9,200 Incentive Shares were issued pursuant to the LTIP approved and adopted on the same day, and 49,997 Ordinary Shares were issued to Blair Illingworth.
- 3.4 On 28 February 2018, conditional upon Admission, the Company passed the following written resolutions:
- (A) the Directors were generally and unconditionally authorised for the purposes of section 551 of the Companies Act to exercise all the powers of the Company to allot shares and grant rights to subscribe for, or convert any security into shares up to 8,881,002 new Ordinary Shares in connection with the Placing;
- (B) the Directors were generally and unconditionally authorised for the purposes of section 551 of the Companies Act to exercise all the powers of the Company to allot shares and grant rights to subscribe for or convert any security into shares up to:
- (1) an aggregate nominal amount of £29,770.01 or such lesser amount as represents one-third of the Company's issued ordinary share capital immediately following Admission (such amounts to be reduced by the nominal amount allotted or granted under sub-paragraph (2) below in excess of such sum); and
- (2) an aggregate nominal amount of £59,540.02, or such lesser amount as represents two-thirds of the Company's issued ordinary share capital immediately following Admission (such amount to be reduced by any allotments or grants made under sub-paragraph (1) above) in connection with or pursuant to an offer by way of a rights issue in favour of Shareholders in proportion (as nearly as practicable) to the respective number of Ordinary Shares held by them on the record date for such allotment, but subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever,
- and unless renewed, varied or revoked by the Company, such authority shall expire at the conclusion of the first annual general meeting of the Company or on the date which 18 months from the date on which such written resolution was passed (if earlier), save that the Company may before this authority expires make an offer or agreement which would or might require shares to be allotted after this authority expires and the Directors may allot shares or the grant of rights to subscribe for, or convert any security into, shares pursuant to such offer or agreement as if this authority had not expired;
- (C) the Directors were empowered pursuant to section 570(1) of the Companies Act to allot equity securities (as defined in section 560(1) of the 2006 Act) of the Company for cash pursuant to the authorities conferred in sub-paragraph (A) above as if section 561 of the Companies Act did not apply to any such allotment;
- (D) the Directors were empowered pursuant to section 570(1) of the Companies Act to allot equity securities (as defined in section 560(1) of the 2006 Act) of the Company for cash pursuant to the authorities conferred in sub-paragraph (B) above as if section 561 of the Companies Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities for cash:
- (1) in connection with or pursuant to an offer of or invitation to apply for equity securities (but in the case of the authorisation granted under sub-paragraph (B) above, by way of a rights issue only) in favour of Shareholders in proportion (as nearly as practicable) to the respective number of Ordinary Shares held by them on the record date for such allotment or sale (and holders of any other class of equity securities as required by the rights attached to those securities or as the Directors otherwise consider necessary) but subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate in relation to fractional entitlements or any legal or practical

problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and

- (2) otherwise than pursuant to sub-paragraph (B), up to an aggregate nominal amount of £8,931.00, representing approximately ten per cent. of the Company's issued ordinary share capital immediately following Admission,

and unless renewed, varied or revoked by the Company, such power shall expire at the conclusion of the first annual general meeting of the Company or on the date which is 18 months from the date on which such resolution was passed (if earlier), save that the Company may before this power expires make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to such offer or agreement as if this authority had not expired.

- 3.4 On 28 February 2018, each of Blair Illingworth, Joanne Curin and Simon Thomas agreed, conditional on Admission, to gift all of the deferred shares of £0.99 each arising on the sub-division of the ordinary shares of £1.00 each referred to in paragraph 3.2(B) above held by him or her to the Company for cancellation and the Board resolved to cancel all such gifted deferred shares with effect from Admission.
- 3.5 On 1 March 2018, the Placing Shares will, subject to Admission, be issued to the Placees at the Placing Price.
- 3.6 The Company's share capital is, at the date of this document, and is expected to be, immediately following Admission:

	<i>At the date of this document</i>	<i>Immediately following Admission^{(1),(2)}</i>
Number of Ordinary Shares issued and fully paid	50,000	8,931,003
Number of Incentive Shares issued and fully paid	9,200	9,200

(1) Assuming the Placing is fully subscribed.

(2) Assuming the cancellation of the deferred shares referred to in paragraph 3.4 above.

- 3.7 The Placing Shares to be issued pursuant to the Placing will, on Admission, be allotted fully paid in registered form and may be held in either certified or in uncertified form, and will rank *pari passu* in all respects with the Existing Ordinary Shares.
- 3.8 The Placing Shares to be issued pursuant to the Placing will, on Admission, be allotted fully paid in registered form and may be held in either certified or in uncertified form, and will rank *pari passu* in all respects with the Existing Ordinary Shares.
- 3.9 Assuming the Placing is fully subscribed and becomes unconditional, the existing Shareholders will suffer a dilution of approximately 99.4 per cent. as a result of the Placing.
- 3.10 Save for the 9,200 Incentive Shares issued on 27 February 2018, the Company has not issued any convertible securities, exchangeable securities or securities with warrants.
- 3.11 Save in connection with the Placing and the management incentive arrangements described in paragraph 7 of Part I (*Information on the Company*) of this document, there are no acquisition rights and/or obligations over authorised but unissued share capital or undertakings to increase the share capital.
- 3.12 No shares in the capital of the Company are under option or have been agreed, conditionally or unconditionally, to be put under option.
- 3.13 Application has been made for the Ordinary Shares to be admitted to trading on AIM. The Ordinary Shares are not listed or traded on and no application has been or is being made for the admission of the Ordinary Shares to listing or trading on any other stock exchange or securities market.

3.14 There are no shares not representing capital.

4. SUBSIDIARIES AND INVESTMENTS

The Company will be the holding company of its group. Immediately following Admission, it will have one wholly-owned subsidiary, Stirling Group Holdings Limited, which is incorporated in England and Wales.

The Company does not have any investments and, other than as referred to in this paragraph, has not made any firm commitments with respect to any prospective investments.

5. ARTICLES OF ASSOCIATION

The Articles, which were adopted with immediate effect on 27 February 2018, are available for inspection at the address specified in paragraph 2 above in this Part IV (*Additional Information*) of this document.

The Articles do not restrict the objects of the Company. The Articles contain (amongst other things) provisions to the following effect:

5.1 *Share capital*

- (a) The Ordinary Shares and the Incentive Shares are separate classes of shares and carry the respective rights and privileges and are subject to the respective provisions and restrictions set out in the articles as summarised below.

5.2 *Rights attaching to Incentive Shares*

- (a) The Incentive Shares have a nominal value of £1.00. The Incentive Shares do not confer a right to be paid a dividend, other than in accordance with paragraphs 5.3(a) to 5.3(c).
- (b) On a return of capital on winding-up (but not otherwise), the holders of the Incentive Shares shall be entitled to participate in the Company's assets available for distribution among the members in accordance with paragraph 5.3.16.
- (c) The holders of the Incentive Shares have the right to receive notice of and to attend general meetings of the Company, but do not have the right to vote thereat in respect of the Incentive Shares.

5.3 *Further rights of Incentive Shares*

- (a) Each holder of the Incentive Shares shall, not later than 20 business days after the trigger date, be paid a dividend which shall be equal to such amount per Incentive Share (the "**Dividend Amount**") as equals the Conversion Number (as determined in accordance with paragraph (e) for the trigger date, except that if the Conversion Number is a fraction it shall not be rounded up) multiplied by SP (as determined in accordance with paragraph (e)). To the extent that a dividend is paid in respect of Incentive Shares in accordance with this paragraph 5.3, those shares shall, with effect from the payment date, be re-designated (and in any event shall have the same rights (and no other rights)) as non-voting deferred shares, having the rights set out in paragraph 5.3(m).
- (b) Prior to the trigger date, the Directors may in their absolute discretion determine that the Dividend Amount to be paid on the Incentive Shares should be reduced in whole or in part. If the Dividend Amount is reduced in whole, the Incentive Shares shall be converted in accordance with the remaining provisions of this paragraph 5.3. If the Dividend Amount is reduced in part, the Incentive Shares shall be converted in accordance with the remaining provisions of this paragraph 5.3 save that the Conversion Number shall be reduced to reflect the amount of the dividend per share to be paid. The Company shall serve a notice on the holders of such Incentive Shares (a "**conversion notice**") informing such holders of the determination by the Board and such notice shall be served within five business days of such determination.

- (c) If the Company is unable (for whatever reason) to pay the full amount of the dividend which is due as provided for in paragraph 5.3(a) or (b) or if the Company decides not to pay such a dividend or if the Board determine in accordance with paragraph 5.3(b) that the Incentive Shares should be converted but the Company fails to convert the Incentive Shares in accordance with paragraph 5.3(b) and the remaining provisions of this article 3, then the Company shall procure that such Incentive Shares shall be purchased, not later than 25 business days after the trigger date, by an employee benefit trust nominated by the Company for a consideration per Incentive Share equal to the Dividend Amount (as defined in paragraph 5.3(a)).
- (d) If a conversion notice is served in accordance with paragraph (b), or pursuant to paragraph 5.3.15 or paragraph 3.16, on conversion each Incentive Share shall convert into such number of fully paid ordinary shares as equals the Conversion Number (save where a dividend has been paid on the Incentive Shares in accordance with paragraph (b) in which case the Conversion Number shall be reduced to reflect the amount of any dividend per share actually paid).
- (e) Subject to paragraph 5.3(i) and paragraph 5.3(m) and subject always to adjustment in accordance with paragraph 5.3(q) and/or 5.3(r), the Conversion Number equals:

$$\frac{\frac{10}{100} \times \{(SP \times N) - IC\} \times \frac{1}{SP}}{NIS}$$

Where:

N = the number of ordinary shares in issue on the trigger date

NIS = the total number of Incentive Shares in issue on the trigger date

SP = means the price certified by the Brokers (as defined below) to be the average closing middle market quotation (in pounds sterling) of an ordinary share in the capital of the Company as derived from the London Stock Exchange Daily Official List for the 40 business days prior to the trigger date

IC = means the invested capital relating to the ordinary shares (in pounds sterling), being the sum of the Indexed Capital for each month in which there is either an Ordinary Share Cost or a Return from (and including) the month in which the commencement date occurs (and for these purposes any Ordinary Shares allotted prior to Admission shall be deemed for this purpose to have been allotted in the month in which Admission falls) up to (and including) the month in which the trigger date occurs (and for these purposes the Ordinary Share Cost for the first month shall be the aggregate of the amounts invested by shareholders as to both nominal value and any premium thereon in respect of the ordinary shares in the capital of the Company as at the commencement date, as certified by the Brokers),

and where:

- (i) the “**Brokers**” means the Company’s brokers for the time being (as determined by the Company);
- (ii) the “**Indexed Capital**” for a month means the Net Capital for that month multiplied by the relevant Index Adjustment for the period from the commencement of that month until the commencement of the month in which the trigger date falls;
- (iii) the “**Net Capital**” for a month means the Ordinary Share Cost in that month or the Returns in that month or, in the event that there is both, the net amount of Ordinary Share Cost minus Returns, and which for the avoidance of doubt may be zero or a negative number;

- (iv) the “**Ordinary Share Cost**” means:
- (A) the total amount (in pounds sterling) paid up (as to nominal value and any premium) on any allotment of ordinary shares in the period, provided that (A) if any part of such amount paid up on any ordinary share is paid up otherwise than in cash the amount paid up on that share shall be deemed to be the price certified by the Brokers to be the value attributed to each such share under the terms of the acquisition (as certified by the Brokers) and (B) if any Ordinary Shares shall be allotted credited as fully paid by way of capitalisation of profits or reserves the amount paid up on such shares shall be excluded from the calculation of Ordinary Share Cost;
- (v) “**Returns**” means the sum of any dividends or distributions of any kind paid or made on or in respect of the Ordinary Shares, including (i) a purchase of any of the Company’s own shares (whether or not out of the proceeds of any fresh issue of shares or out of unrealised profits), (ii) a reduction of ordinary share capital by paying off paid up share capital, and (iii) any other returns of capital to holders of Ordinary Shares in the period, whether in cash or otherwise and however described, excluding (A) any issue of Ordinary Shares credited as fully paid to shareholders by way of capitalisation of profits or reserves which is to be, or may at the election of the shareholders be, issued instead of the whole or any part of a cash dividend which the shareholders concerned would or could otherwise have received and (B) any issue of shares credited as fully paid to the shareholders (or as they may direct) by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve);

$$\text{“Index Adjustment”} = \left\{ \left(\frac{\text{RPI2}}{\text{RPI1}} \right)^{\frac{12}{t}} + 0.02 \right\}^{\frac{t}{12}}$$

Where:

RPI1 is the RPI for the month immediately preceding the start of the period referred to in (i) above (rounded to one decimal place);

RPI2 is the RPI for the month immediately preceding the end of the period referred to in (i) above (or, if that has not been published by the close of business on the trigger date, then the RPI for the latest month for which the RPI has been published) (rounded to one decimal place); and

“t” is the number of months between the two months used to determine RPI1 and RPI2 (and for the avoidance of doubt, there are 12 months between the same months in consecutive years);

- (vi) “**RPI**” means the UK Retail Prices Index (all items) published by the Office for National Statistics (or any successor Government department) (January 1987 = 100) or any index which may replace the RPI, as selected by the remuneration committee of the board of directors of the Company;
- (vii) “**commencement date**” has the meaning set out below;
- (viii) “**trigger date**” has the meaning set out below; and
- (ix) references to a month are to a calendar month.

For the avoidance of doubt, where “IC” is a negative number the formula in this paragraph 5.3.5 shall continue to be applicable.

In the event that the calculation in this paragraph 5.3.5 results in a Conversion Number being less than one, the Conversion Number for the purposes of these articles shall be one.

- (f) In this paragraph 5.3, a “**trigger date**” is (except where paragraph 5.3(o) or 5.3(p) applies) the date which is the fourth anniversary of the commencement date and the “**commencement date**” means the date on which completion takes place in respect of the Company’s first acquisition of shares or assets pursuant to its investment policy.
- (g) The Ordinary Shares to which a holder is entitled on conversion shall not rank for any dividends or other distributions paid or made on Ordinary Shares prior to the trigger date but shall rank for any paid or made thereafter, and subject thereto they shall rank *pari passu* in all respects and form one class with the Ordinary Shares then in issue.
- (h) If a conversion notice is served in accordance with paragraph 5.3(b), within 25 business days after the trigger date (the “**conversion date**”), the Board shall convert the relevant Incentive Shares into the Ordinary Shares and deferred shares (if any) arising on conversion and, as soon as reasonably practicable thereafter, shall issue to the holders of such Ordinary Shares without charge certificates for the Ordinary Shares and deferred shares (if any) and for the balance of unconverted Incentive Shares (if any) held by them. In the meantime, transfers of Ordinary Shares shall be certified against the register.
- (i) Except for the purposes of paragraph 5.3(a), where the Conversion Number is a fraction, the Conversion Number shall be rounded up to the nearest whole number provided that where a holder of Incentive Shares converts more than one Incentive Share at the same time, then for the purposes of determining the number of Ordinary Shares to which a holder is entitled and whether (and if so what) fraction of an Ordinary Share arises, the number of Ordinary Shares arising on the conversion of Incentive Shares by any one holder shall first be aggregated.
- (j) Where a block admission arrangement is in place with a relevant investment exchange (if applicable), the Company will use its best endeavours to procure that the aggregate Conversion Number of Ordinary Shares shall, upon conversion, be admitted to the relevant investment exchange. Where a block admission arrangement is not in place (but not where block admission arrangements are not applicable to the relevant investment exchange) or is insufficient to deal with the aggregate Conversion Number, the Company will apply for admission to the relevant investment exchange for that number of Ordinary Shares for which there are insufficient Ordinary Shares available under a block admission arrangement to satisfy the aggregate Conversion Number. Where a block admission arrangement is not applicable to the relevant investment exchange, the Company will promptly apply for admission to the relevant investment exchange for that number of Ordinary Shares for which there are insufficient Ordinary Shares available to satisfy the aggregate Conversion Number. The Company shall prepare and use its best endeavours to issue any admission document, prospectus and other documents that may be required to be issued in respect of any Ordinary Shares arising on conversion pursuant to the rules of any relevant investment exchange.
- (k) The Directors may in their absolute discretion from time to time decide the manner in which Incentive Shares are to be converted, subject to the provisions of the articles and the 2006 Act and, for the avoidance of doubt, may decide to effect conversion of Incentive Shares partly in one manner and partly in another.
- (l) Without prejudice to paragraph 5.3(k), the Directors may, pursuant to the authority given by the adoption of these articles and without the requirement for any further resolution of the Company or of the holders of any class of shares, elect to effect conversion by consolidation

and sub-division, in which case each Incentive Share to be converted shall, pursuant to the authority granted by the adoption of this article, be sub-divided and re-designated into:

- (i) such number of Ordinary Shares of the same nominal amount as the Ordinary Shares of the Company at such time as the Directors determine (subject to the limitation on timing set out in paragraph (h)), equal to (or no greater than) the Conversion Number; and
 - (ii) a non-voting deferred share with a nominal value equal to the balance of such share, having the rights set out in paragraph 5.3(m) (the “**deferred share**”, and together, the “**deferred shares**”).
- (m) The deferred shares shall not confer the right to be paid a dividend or to receive notice of or to attend or vote at a general meeting. On a winding up, after the distribution of the first £10,000,000,000 of the assets in accordance with paragraph 5.2(b), the holders of the deferred shares (if any) shall be entitled to receive an amount equal to the nominal value of such deferred shares pro rata to their respective holdings. The deferred shares shall not, save as referred to in this paragraph 5.3(m), be transferable. Conversion of an Incentive Share is deemed to confer irrevocable authority on the Directors at any time to do all or any of the following without obtaining the sanction of the holder of any or all of the deferred shares:
- (i) to appoint a person to execute on behalf of each holder of deferred shares an instrument of transfer for or an agreement to transfer (or both) all or some of the deferred shares, without making a payment to the holder, to such person as the Directors may decide, as custodian;
 - (ii) to purchase all or some of the deferred shares (subject to the provisions of the 2006 Act) for a price of one penny for all the deferred shares purchased, without obtaining the sanction of the holder;
 - (iii) for the purposes of any such purchase, to appoint any person to execute on behalf of the holder of deferred shares a contract for the sale to the Company of any such deferred shares by him or her; and
 - (iv) to cancel all or any of the same so purchased in accordance with the 2006 Act.
 - (v) Pending the transfer or purchase above, the Company may retain the certificate(s) for the deferred shares.
- (n) Without prejudice to paragraph 5.3(k), and notwithstanding the provisions of article 137 (Capitalisation of Profits and Scrip Dividends), the Board may without the requirement for any further resolution of the Company or of the holders of any class of shares (but only to the extent that they reasonably believe that the same are required or desirable in order to give effect to the conversion of Incentive Shares under this paragraph 5.3), (a) elect to effect conversion by way of the capitalisation of profits or reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, (b) appropriate the sum to be capitalised to any one or more holders of Incentive Shares (so far as practicable) in proportion to the nominal amounts of shares held by them, and (c) apply that sum on such holders’ behalf in or towards paying up in full unissued Ordinary Shares of a nominal amount equal to that sum, and to allot the shares to such holders or as they may direct. Immediately upon such allotment, the Incentive Shares to be converted at any one time and held by such holder shall, pursuant to the authority given by the adoption of these articles and without the requirement for any further resolution of the Company, be re-designated as non-voting deferred shares having the rights set out in article 5.3(m).

- (o) If, prior to the payment of any dividend provided for in paragraphs (a) and 5.3(b), the conversion of the Incentive Shares into Ordinary Shares pursuant to paragraph 5.3(b) or the purchase of the Incentive Shares pursuant to paragraph 5.3(c), as the case may be, the Company becomes aware that, as a result of an offer made to all holders of Ordinary Shares (or all holders of Ordinary Shares other than the offeror and any associates of the offeror, as defined in section 988 of the 2006 Act) to acquire all or some of the Ordinary Shares (including any such offer implemented by way a court approved scheme of arrangement under Part 26 of the 2006 Act) the right to cast more than 50 per cent. of the votes that may ordinarily be cast on a poll at a general meeting has or will become vested in the offeror and those associates, the Company shall give notice to all holders of Incentive Shares forthwith upon it becoming so aware. Subject to paragraph 5.3.14, the Incentive Shares shall convert in accordance with article 3.1(b) and such number of Ordinary Shares as is equal to the whole of the Conversion Number shall be allotted pursuant to paragraph 5.3(n), and such Ordinary Shares shall be entitled to participate in the offer resulting in the change of control of the Company (the “**Change of Control**”), alongside the existing Ordinary Shares. Such conversion shall occur upon the Change of Control or as soon thereafter as the Directors become aware of the Change of Control having occurred, in accordance with this paragraph 5.3, except that for such purposes, the “trigger date” shall be the date of, but immediately prior to, the Change of Control and “SP” shall be the offer price as calculated on the date of the Change of Control. In the event that part or all of the offer price is not in cash, the Directors shall determine the value of the non-cash element, having been advised by Brokers (or, if they are unable or unwilling to do so, an investment bank of repute selected by the Directors) that such valuation is fair and reasonable. For the avoidance of doubt, any offer so made (including any offer implemented by way of a court approved scheme of arrangement under Part 26 of the 2006 Act) which results in the Company being controlled by a new company (“**New Company**”) in which at least 90 per cent. of the shares in the New Company are held by substantially the same persons who immediately before the offer was made were shareholders in the Company shall not constitute a Change of Control in respect of the Company and no trigger date shall be deemed to have occurred provided that the Incentive Shares have been exchanged or are exchangeable for new incentive shares in the New Company on substantially the same terms as the Incentive Shares.
- (p) If, prior to the payment of any dividend provided for in paragraphs 5.3 (a) and 5.3(b), the conversion of the Incentive Shares into Ordinary Shares pursuant to paragraph 5.3(b) or the purchase of the Incentive Shares pursuant to paragraph 5.3(c), either (i) a resolution for voluntary winding up of the Company is passed or (ii) a winding-up order is made by the court in relation to the Company, subject to paragraph 5.5(d), the Incentive Shares shall be treated as if they had converted in accordance with this paragraph 5.3 on the date of, and with effect immediately prior to, the resolution for the voluntary winding up of the Company being passed or the date of the winding-up order being made, as the case may be (in either case, the “**operative date**”) except that for such purposes the “trigger date” shall be the operative date. In that event, the holder thereof shall be entitled to be paid, in satisfaction of the amount due in respect of his Incentive Shares, a sum equal to the amount to which he would have been entitled on a return of capital on a winding-up if he had been the holder of the Ordinary Shares to which he would have become entitled on such conversion.
- (q) If a doubt or dispute arises concerning the calculation of the Conversion Number or any component part of the formulae for calculating the Conversion Number, the Board shall refer the matter to the auditors and their certificate as to such calculation shall be conclusive and binding on all concerned.
- (r) In the event that any provision (or combination of provisions) in this paragraph 5.3 or any future change to the capital structure of the Company produces, or is likely to produce, a Conversion Number which appears to the Directors to be an anomalous result or there shall be quantified material information known to the Directors (but which is not in the public domain) in relation to the current financial position that would, in the reasonable opinion of the

Directors, produce an anomalous result if such information were to be in the public domain, it shall refer the matter to the Directors, which may make such adjustments to the method of calculating the Conversion Number as they consider appropriate to ensure that conversion is fair and reasonable, and as the Brokers (or, if they are unable or unwilling to do so, an investment bank of repute selected by the Directors) shall have confirmed in writing to be fair and reasonable so far as the Ordinary Shareholders are concerned.

5.4 *Permitted Transfer of Incentive Shares*

- (a) Subject to paragraph 5.4(b), the holders of the Incentive Shares may not transfer, charge, encumber, grant any option over or otherwise dispose of any Incentive Share or any interest therein.
- (b) A holder of an Incentive Share may at any time transfer an Incentive Share:
 - (i) with the prior written consent of the Board (and where such consent is given in relation to a transfer to (a) the trustees of a trust of which the only beneficiaries (and the only people capable of being beneficiaries) are the holder of the Incentive Shares who established the trust and who is transferring the relevant shares, and/or his spouse, and/or his lineal descendants by blood or adoption; and/or (b) a company whose voting control is and will remain until the trigger date under the control of the holder, the holder's spouse and/or the holder's lineal descendant(s) by blood or adoption; and/or (c) his spouse; and/or (d) his lineal descendants by blood or adoption (such persons to whom such shares may be transferred pursuant to (a) or (b) above being “**permitted transferees**”)); or
 - (ii) when required by paragraph 5.4(c) or paragraph 5.5(b).
- (c) If a transferee of any shares under paragraph 5.4(b) shall at any time cease to be a permitted transferee in relation to the original holder of the relevant Incentive Shares (the “**relevant shares**”), it shall be the duty of the trustees and/or the person holding the relevant shares to notify the Board in writing that such event has occurred and the trustees and/or the person shall be bound to execute a stock transfer form and to do such other things as may be necessary to transfer the relevant shares at the price per share (if any) for which they were acquired, to the original holder (who shall be bound to acquire the relevant shares) and if they or he fails to do so, the directors may authorise any director to execute any stock transfer form and to do such other things as may be necessary or desirable to transfer the relevant shares on behalf of the trustees and/or the person holding the relevant shares pursuant to this paragraph 5.4(c).
- (d) The Directors may require from any person lodging a share transfer such information and evidence as the Directors think fit regarding any matter which they may reasonably deem relevant for the purposes of paragraph 5.4(b) and may refuse to register the relevant transfer until they have received information and evidence satisfactory to them.

5.5 *Compulsory Transfer or Conversion*

- (a) If the holder of any Incentive Shares or the original holder of any Incentive Shares transferred pursuant to paragraph 5.4, if an employee of the Company or any of its subsidiary undertakings ceases to be an employee, if a director of the Company, ceases to be a director, and if an employee and director, ceases to be both, in each case other than by reason of death, permanent ill health, permanent disability, retirement at the normal age, termination or resignation in connection with a Change of Control, redundancy or in such other circumstances as may be agreed between the Company and the relevant employee/director (as the case may be), he shall be a “**bad leaver**”. If the holder of any Incentive Shares or the original holder of any Incentive Shares transferred pursuant to paragraph 5.4, if an employee of the Company or any of its subsidiary undertakings ceases to be an employee, if a director of the Company, ceases to be a

director, and if an employee and director, ceases to be both, and such person is not a bad leaver, he shall be a “**good leaver**”.

Unless the Directors shall in their absolute discretion determine otherwise, if the holder of any Incentive Shares or the original holder of any Incentive Shares transferred pursuant to article 4 becomes a bad leaver then the provisions of this paragraph 5.5(a) to 5.5(d) shall apply in respect of:

- (i) the bad leaver;
- (ii) any person to whom the bad leaver has transferred Incentive Shares pursuant to article 4 and any subsequent transferee of such shares,

(together the “**compulsory transferors**”).

- (b) Each Incentive Share held by the compulsory transferors shall within the period of 20 business days following the bad leaver ceasing to be an employee or director, be transferred to the trustees of an employee benefit trust, or such person as the Board may direct, at a price per share equal to the subscription price paid by the bad leaver at the time the bad leaver acquired the Incentive Shares, and the compulsory transferors shall be bound to execute a stock transfer form and to do such other things as may be necessary to transfer the relevant shares and if they fail to do so, the directors may authorise any director or the company secretary to execute any stock transfer form and to do such other things as may be necessary or desirable to transfer the relevant shares on behalf of the compulsory transferors.
- (c) Following a cessation of employment or directorship causing this paragraph 5.5 to apply to particular Incentive Shares, those Incentive Shares may not be transferred pursuant to paragraph 5.4(b)(i). In the event of a Change of Control between the date of cessation of employment or directorship and the relevant transfer date in paragraph (b), those Incentive Shares shall in accordance with paragraph 5.3(o) except that each Incentive Share shall convert into one fully paid Ordinary Share and one fully paid deferred share having a nominal value equal to the balance of the nominal value of the Incentive Share so converted (the “**bad leaver conversion rate**”). In the event of either (a) a resolution for a voluntary winding up of the Company being passed or (b) a winding up order being made by the court in relation to the Company, in either case between the date of cessation of employment or directorship (as the case may be) and the relevant transfer date in paragraph (b), those Incentive Shares shall convert in accordance with paragraph 5.3(p) except that each such Incentive Share will convert in accordance with the bad leaver conversion rate.
- (d) Save in circumstances where a holder of Incentive Shares becomes a good leaver as a result of his resignation in connection with a Change of Control, the Directors may, in their absolute discretion, require that a good leaver and any person to whom such good leaver has transferred Incentive Shares pursuant to paragraph 5.4 and any subsequent transferee of such shares shall be deemed to be a compulsory transferor and that the provisions of paragraph (b) shall apply to such good leaver or transferee (as the case may be), in respect of some or all of the Unvested Portion (as defined below) of the Incentive Shares held by such good leaver or transferee, as they apply to a bad leaver.

Any determination by the Directors in accordance with this paragraph 5.5(d) shall be notified to such good leaver within three months of such person becoming a good leaver.

For the purposes of this paragraph 5.5(d), “**Unvested Portion**” shall mean the product of (a) the number of full calendar months remaining from the date on which a holder of Incentive Shares becomes a good leaver up to the trigger date (but including the month in which the trigger date falls) divided by 48 and (b) the total number of Incentive Shares held by such good leaver, rounded up to the nearest whole number of Incentive Shares.

- (e) Notwithstanding the foregoing, where the Directors determine in accordance with the Incentive Scheme Rules that “Exceptional Circumstances” (within the meaning of the Incentive Scheme Rules) exist during the Performance Period, the Directors may, at their discretion, resolve to cancel a certain number of Incentive Shares held by a shareholder who is a participant in the Incentive Scheme, and immediately upon the service of a written notice pursuant to the Incentive Scheme and in accordance with these articles on each holder of Incentive Shares in respect of whom a decision has been made to cancel such shares (each, an “Compulsory Conversion Notice”), pursuant to the authority given by the adoption of these articles and without the requirement for any further resolution of the Company or of the holder(s) of any class of shares, the number of Incentive Shares of each such holder that specified in the Compulsory Conversion Notice as being the Compulsory Conversion Incentive Shares shall be converted into such number of deferred shares as shall be requisite to ensure that the nominal value of the Incentive Shares so converted shall be equal to the number of deferred shares into which such Incentive Shares convert. For the purposes of this paragraph 5.5(e), “**Compulsory Conversion Incentive Shares**” means that proportion of the total number of Incentive Shares held by a participant that are to be cancelled by the Directors in accordance with the terms of the Incentive Scheme Rules.

5.6 *Restrictions*

- (a) If Incentive Shares remain capable of being converted into Ordinary Shares, the Company shall not, except with the consent in writing of the holders of at least three-fourths of the nominal amount of the Incentive Shares then in issue or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the Incentive Shares then in issue validly held in accordance with the provisions of these paragraphs (a) create, allot or issue any further Incentive Shares in the capital of the Company (other than the allotment or issue of further Incentive Shares that are permitted to be, or reserved for issue under, any incentive plan of the Company, which shares may be allotted or issued at the absolute discretion of the Directors); or (b) pass a resolution varying any of the special rights attached to the Incentive Shares.

5.7 *Voting rights*

- (a) Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, on a show of hands every Shareholder present in person or by proxy at a general meeting of the Company and every duly authorised corporate representative shall have one vote, and on a poll, every Shareholder (whether in person or by proxy) has one vote for every share of which the Shareholder is a holder. If a proxy has been duly appointed by more than one Shareholder entitled to vote on the resolution and the proxy has been instructed by one or more of those Shareholders to vote for the resolution and by one or more other of those Shareholders to vote against it then the proxy shall have one vote for and one vote against the resolution. If a proxy has been duly appointed by more than one Shareholder entitled to vote on the resolution and has been granted both discretionary authority to vote on behalf of one or more of those Shareholders and firm voting instructions on behalf of one or more other Shareholders, the proxy shall not be restricted by the firm voting instructions in casting a second vote in any manner he so chooses under the discretionary authority conferred upon him. On a poll, a Shareholder, who is entitled to more than one vote, need not use all his votes or cast all the votes in the same way.
- (b) Unless the Board otherwise determines, no Shareholder shall have any right to vote at any general meeting or at any separate meeting of the holders of any class of shares, either in person or by proxy, in respect of any share held by him unless all amounts presently payable by him in respect of that share, whether alone or jointly with any other person, have been paid.

5.8 *Dividends*

- (a) Subject to the provisions of the Companies Act, the Company may by ordinary resolution from time to time declare dividends in accordance with the respective rights of Shareholders, but no

dividend shall exceed the amount recommended by the Board. Subject to the provisions of the Companies Act, the Directors may pay interim dividends, or dividends at a fixed rate, if it appears to them that they are justified by the profits of the Company available for distribution.

- (b) Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.
- (c) Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. If any share is issued on terms that it ranks for dividend as from a particular date, it shall rank for dividend accordingly. In any other case, dividends shall be apportioned and paid proportionately to the amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid.
- (d) All dividends unclaimed for 12 months after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not thereby be constituted a trustee in respect thereof. Any dividend unclaimed after a period of 12 years from the date when it was declared or became due for payment shall be forfeited and shall revert to the Company.

5.9 *Distribution of assets on a winding-up*

- (a) If the Company shall be wound up the liquidator may, with the authority of a special resolution passed at a general meeting of the Company and any other sanction required by the Companies Act, divide among the Shareholders in specie or kind the whole or any part of the assets of the Company (whether or not the assets shall consist of property of one kind or not), and may for such purposes set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator with the like authority shall think fit, but no Shareholder shall be compelled to accept any shares or other property in respect of which there is a liability.

5.10 *Transfer of shares*

- (a) Any Shareholder may transfer all or any of his uncertificated shares by means of a relevant system in such manner provided for, and subject as provided, in the CREST Regulations and the rules of any relevant system.
- (b) Any Shareholder may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve. The instrument of transfer shall be executed by or on behalf of the transferor and (in the case of a partly paid share) the transferee. The transferor shall be deemed to remain the holder of the share concerned until the name of the transferee is entered in the register in respect of it. All instruments of transfer, when registered, may be retained by the Company. All transferees shall be deemed to make certain representations and warranties as set out in the Articles.
- (c) Subject to the provisions of the Companies Act, the Board may, in its absolute discretion, decline to register any transfer of any share which is not fully paid, provided that where such a share is a member of a class of shares admitted to the Official List, such discretion may not be exercised in such a way as to prevent dealings in shares of that class from taking place on an open and proper basis.
- (d) The Board may decline to register any transfer of a certificated share unless the instrument of transfer:
 - (i) is left at the registered office of the Company or such other place as the Board may from time to time determine accompanied (save in the case of a transfer by a person to whom

the Company is not required by law to issue a certificate and to whom a certificate has not been issued) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the person executing the instrument of transfer to make the transfer;

- (ii) is in respect of only one class of shares; and
 - (iii) is not in favour of more than four transferees.
- (e) The Board may decline to register a transfer of an uncertificated share in the circumstances set out in the CREST Regulations, and the facilities and requirements of the relevant system.
 - (f) If the Directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of refusal, or, in the case of an uncertificated share notify such person as may be required by the CREST Regulations and the requirements of the relevant system concerned.
 - (g) If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) cause all or any portion of the Company's assets to be deemed to constitute "plan assets" of any US Plan Investor under the US Plan Asset Regulation; (ii) cause all of any portion of the Company's assets to be deemed to constitute assets of any Other Plan Investor for purposes of any Similar Law; (iii) cause the Company to be required to register as an "investment company" under the US Investment Company Act (including because the holder of the shares is not a Qualified Purchaser) or similar legislation, or to lose an exemption or status thereunder to which it might otherwise be entitled; (iv) cause the Company (or, in relation to (B) below, any of its appointed investment managers or investment advisers) to have to (A) register or qualify itself or any of the shares in the Company under the US Securities Act or the US Exchange Act or with any securities regulatory authority of any state or other jurisdiction of the United States; (B) register as an "investment adviser" under the US Investment Advisers Act; or (C) register or qualify itself or any of the shares in the Company under any similar legislation in any territory or jurisdiction; (v) cause the Company not to be considered a "foreign private issuer" as such term is defined in rule 3b-4(c) under the US Exchange Act; (vi) cause the Company to be a "controlled foreign corporation" for the purposes of the US Tax Code; (vii) cause the Company to become subject to any withholding tax or reporting obligation under FATCA or any similar legislation in any territory or jurisdiction (including the United Kingdom's International Tax Compliance Regulations 2015 (SI 2015/878)), or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the member concerned to provide promptly to the Company certain information required by it under the Articles); or (viii) cause a significant legal or regulatory issue for the Company under the US Bank Holding Company Act or regulations or interpretations thereunder, then the Directors may declare the Shareholder in question a "Non-Qualified Holder" and the Directors may require that any shares held by such Non-Qualified Holder shall (unless the Shareholder concerned satisfies the Directors that he is not a Non-Qualified Holder) be transferred to another person who is not a Non-Qualified Holder, failing which the Company may itself dispose of such Prohibited Shares at the best price reasonably obtainable and pay the net proceeds to the former holder.

5.11 *Restrictions on shares*

- (a) If a Shareholder, or any other person appearing to be interested in shares held by that Shareholder, fails to provide the information requested in a notice given to him under section 793 of the Companies Act by the Company in relation his interest in shares (the "default shares") within 14 days of the notice, sanctions shall apply unless the Directors determine otherwise. The sanctions available are the suspension of the right to attend or vote (whether in person or by representative or proxy) at any general meeting or any separate meeting of the

holders of any class or on any poll and, where the default shares represent at least 0.25 per cent of their class (excluding treasury shares), the withholding of any dividend payable in respect of those shares and the restriction of the transfer of those shares (subject to certain exceptions).

5.12 *Variation of rights attaching to shares*

- (a) Subject to the provisions of the Companies Act, all or any of the rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be varied either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of those shares.
- (b) At every such separate general meeting the necessary quorum shall be at least two persons present holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (but at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum), any holder of shares of the class present in person or by proxy may demand a poll and every such holder shall on a poll have one vote for every share of the class held by him.

5.13 *Alteration of share capital*

- (a) The Company may by ordinary resolution:
 - (i) consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;
 - (ii) sub-divide its shares, or any of them, into shares of smaller nominal value than its existing shares; and
 - (iii) determine that, as between the shares resulting from such a sub-division, one or more shares may, as compared with the others, have any such preferred, deferred or other rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares.

5.14 *General Meetings*

- (a) The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Act and at such time and place as the Board shall appoint.
- (b) An annual general meeting shall be convened by not less than twenty-one clear days' notice in writing.
- (c) Upon Admission, the Company will be a "traded company" for the purposes of the Companies Act and as such will be required to give at least twenty-one clear days' notice of any other general meeting unless a special resolution reducing the period to not less than fourteen clear days has been passed at the immediately preceding annual general meeting or at a general meeting held since that annual general meeting or, prior to the Company's first annual general meeting following Admission, or at any other general meeting following Admission.
- (d) Notice of every general meeting shall be given to all Shareholders other than any who, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company.
- (e) No business shall be transacted at any general meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a Shareholder or a proxy for a Shareholder or a duly authorised corporate representative, shall be a quorum.

- (f) A Shareholder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a general meeting of the Company. A Shareholder may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. Subject to the provisions of the Companies Act, any corporation (other than the Company itself) which is a Shareholder may, by resolution of its directors or other governing body, authorise such person(s) to act as its representative(s) at any meeting of the Company, or at any separate meeting of the holders of any class of shares.
- (g) Delivery of an appointment of proxy shall not preclude a Shareholder from attending and voting at the meeting or at any adjournment of it.
- (h) Directors may attend and speak at general meetings and at any separate meeting of the holders of any class of shares, whether or not they are shareholders.
- (i) A poll on a resolution may be demanded at a general meeting either before a vote on a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared. A poll may be demanded by the Chairman or by: (a) not less than five members having the right to vote at the meeting; or (b) a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or (c) a member or members holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

5.15 *Directors*

- (a) Unless otherwise determined by ordinary resolution of the Company, the number of Directors shall not be less than two.
- (b) The Company may by ordinary resolution appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director. Without prejudice to this power the Board may appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director. A person appointed as a Director by the Board is required to retire at the Company's next annual general meeting and shall then be eligible for re-appointment.
- (c) Each Director shall retire from office at the third annual general meeting after the annual general meeting at which he was elected or re-elected (as the case may be) unless he was appointed or re-appointed by the Company in the general meeting at, or since, either such meeting.

5.16 *Powers of Directors*

- (a) The business of the Company shall be managed by the Directors who, subject to the provisions of the Articles and to any directions given by special resolution, may exercise all the powers of the Company.
- (b) Any Director may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director.

5.17 *Borrowing powers*

- (a) Subject to the provisions of the Companies Act, the Board may exercise all the powers of the Company to borrow money, to indemnify, to guarantee and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

5.18 *Directors' fees*

- (a) The Directors shall be paid out of the funds of the Company by way of fees for their services as directors, such sums (if any) as the Board may from time to time determine (not exceeding in aggregate £200,000 per annum or such other sum as the Company in general meeting shall from time to time determine).
- (b) The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors.

5.19 *Directors' interests*

- (a) Subject to the provisions of the Companies Act and save as therein provided, no contract, transaction or arrangement with the Company or in which the Company has a (direct or indirect) interest shall be liable to be avoided on the grounds of the Director's interest, nor shall any Director be liable to account to the Company for any remuneration or other benefit which derives from any such contract, transaction or arrangement or interest by reason of such Director holding that office or of the fiduciary relationship thereby established, but he shall declare the nature of his interest in accordance with the requirements of the Companies Act.
- (b) Save as provided for in the Articles, a Director shall not vote or be counted in the quorum at a meeting of the Directors in respect of any contract, arrangement or transaction in which he has an interest which is to his knowledge a material interest otherwise than by virtue of interests in shares or other securities of or otherwise in or through the Company.
- (c) If any question shall arise at any meeting of the Directors as to an interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be decided by the chairman of the meeting.
- (d) The Board may, subject to the provisions of the Articles and the Companies Act, authorise any matter which would otherwise involve a Director breaching his or her duty under the Companies Act to avoid conflicts of interest. Any authorisation will only be effective if any quorum requirement at any meeting at which the matter was considered is met without counting the Director in question or any other interested Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Board may impose limits or conditions on any such authorisation or may vary or terminate it at any time.

5.20 *Indemnity of Directors*

- (a) To the extent permitted by the Companies Act, the Company may indemnify any Director or former Director of the Company or of any associated company against any liability and may purchase and maintain for any Director or former Director of the Company or of any associated company insurance against any liability.

6. SHARE INCENTIVE ARRANGEMENTS

Management incentive arrangements have been put in place pursuant to the LTIP which was adopted and approved by the Board on 27 February 2018, details of which are set out in paragraph 7 of Part I (*Information on the Company*) of this document.

7. INFORMATION ON THE DIRECTORS

7.1 The names, age, business addresses and functions of the Directors are as follows:

<i>Name</i>	<i>Age</i>	<i>Business address</i>	<i>Function</i>	<i>Date of appointment</i>
Robin Williams	60	Suite 1, 3rd Floor 11-12 St. James's Square London SW1Y 4LB	Chairman	22 February 2018
Richard Blair Illingworth	54	Suite 1, 3rd Floor 11-12 St. James's Square London SW1Y 4LB	Chief Executive Officer	13 February 2018
Joanne Elizabeth Curin	59	Suite 1, 3rd Floor 11-12 St. James's Square London SW1Y 4LB	Chief Financial Officer	13 February 2018
Simon Francis Thomas	62	Suite 1, 3rd Floor 11-12 St. James's Square London SW1Y 4LB	Chief Operating Officer	13 February 2018
Christopher Bruce Dowling	64	Suite 1, 3rd Floor 11-12 St. James's Square London SW1Y 4LB	Non-executive director	22 February 2018

7.2 In addition to being Directors of the Company, the Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this document:

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Past directorships/partnerships</i>
Robin Williams	26 Gledhow Gardens Limited NHS Professionals Limited Xaar plc Van Elle Holdings plc FIH Group plc Keystone Law Group plc	Bio Products Laboratory Holdings Limited Bio Products Laboratory Limited A H Worth and Company Limited Baronsmead VCT 4 plc NHS Property Services Limited Nanoco Group plc DCI Biologicals Inc.
Richard Blair Illingworth	RBI Consulting Services Limited Owram Estates Limited E.P.I.C. plc Stirling Group Holdings Limited	
Joanne Elizabeth Curin	Stirling Group Holdings Limited	Deep Ocean Group Holding BV Deep Ocean Group Holdings AS Lamprell plc Lamprell Energy Ltd WS Atkins plc
Simon Francis Thomas	SFT Consulting Limited Stirling Group Holdings Limited	PSM International Holdings Limited PSM International Limited PSM International Fasteners Limited PSM Fasteners International B.V.

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Past directorships/partnerships</i>
Christopher Bruce Dowling	ENW Finance plc North West Electricity Networks plc Nwen Finance plc ENW Capital Finance plc Electricity North West Limited	Oikos Storage Limited Wyetree Asset Management Ltd. Challenger Management Services (UK) Limited Fidante Partners Holdings Europe Limited Clashfern Investments (UK) Limited Oikos Limited Challenger Life Investments UK Limited CMS (UK) PTY Limited

- 7.3 Save as set out in paragraph 7.2 above, none of the Directors has any business interests or activities outside the Company which are significant with respect to the Company.
- 7.4 None of the Directors:
- (a) has any unspent convictions in relation to indictable offences;
 - (b) has been made bankrupt or has made an individual voluntary arrangement with creditors or suffered the appointment of a receiver over any of his assets;
 - (c) has been a director of any company which, whilst he was such a director or within 12 months after his ceasing to be such a director, was put into receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with the company's creditors generally or with any class of creditors of any company or had an administrator or an administrative or other receiver appointed, save that:
 - (A) Robin Williams was previously a director of Killby & Gayford Group Limited. Killby & Gayford Group Limited entered into administration in April 2012, approximately seven months following Robin Williams' resignation as non-executive chairman. Killby & Gayford Group Limited traded profitably to the date of Robin Williams leaving and he was not involved in any preparation for or events leading up to the decision of the directors of Killby & Gayford Group Limited to enter administration; and
 - (B) Christopher Dowling was a director of Technology Group Limited when the company was sold by Rutland Trust plc in July 1991. Technology Group Limited subsequently entered into administration in November 1991. He was a director of I.M.F. Financial Services plc when the company entered into administration in September 1992 and SJP (UK) Limited when the company entered into administration in July 2002. Each of the above appointments was as a Board representative of Rutland Trust plc by virtue of its shareholding;
 - (d) has been a partner in any partnership which, whilst he was a partner, or within 12 months after his ceasing to be a partner, was put into compulsory liquidation or had an administrator or an administrative or other receiver appointed or entered into any partnership voluntary arrangement;
 - (e) has had an administrative or other receiver appointed in respect of any asset belonging either to him or to a partnership of which he was a partner at the time of such appointment or within the 12 months preceding such appointment; or
 - (f) has received any public criticisms by statutory or regulatory authorities (including recognised professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

8. DIRECTORS' AND OTHERS' INTERESTS

- 8.1 The interests of the Directors (and any person connected with them within the meaning of sections 252 to 255 of the Companies Act (a “**Connected Person**”)) in the share capital of the Company as at the date of this document is, and immediately following Admission will be, as set out below and in paragraph 8.2:

<i>Name</i>	<i>Number of Ordinary Shares currently held</i>	<i>Percentage of issued share capital currently held</i>	<i>Number of Ordinary Shares to be held immediately following Admission^{(1),(2),(3)}</i>	<i>Percentage of Enlarged Share Capital to be held immediately following Admission^{(1),(2),(3)}</i>
Robin George Walton Williams	–	–	50,000	0.6%
Richard Blair Illingworth	49,998	99.996%	250,001	2.8%
Joanne Elizabeth Curin	1	0.002%	96,000	1.1%
Simon Francis Thomas	1	0.002%	100,000	1.1%
Christopher Bruce Dowling	–	–	100,000	1.1%

(1) Assuming the Placing is fully subscribed.

(2) Assuming the cancellation of the deferred shares referred to in paragraph 3.4 above.

(3) Mr Blair will acquire 1 further Ordinary Share immediately following Admission pursuant to a sale and purchase agreement dated 27 February 2018 pursuant to which the Company will acquire the ordinary share capital of Stirling Group Holdings Limited in consideration of the issue to Mr Blair of 1 new Ordinary Share as described in note 4 to the financial information contained in Section B of Part III (*Historical Financial Information of the Company*).

- 8.2 As at the date of this document, the Directors also hold the following Incentive Shares, pursuant to awards to the Founder Directors under the LTIP:

<i>Name</i>	<i>Number of Incentive Shares currently held</i>	<i>Percentage of issued Incentive Shares held</i>
Robin George Walton Williams	800	8.0%
Richard Blair Illingworth	4,000	40.0%
Joanne Elizabeth Curin	2,000	20.0%
Simon Francis Thomas	2,000	20.0%
Christopher Bruce Dowling	400	4.0%

- 8.3 Save as disclosed in paragraphs 8.1 and 8.2 above, no Director, nor any of his or her Connected Persons has at the date of this document, or will have immediately following Admission, any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company or any of its subsidiaries or any related financial product referenced to the Ordinary Shares.

- 8.4 In so far as is known to the Company and except as disclosed below and in paragraphs 8.1 and 8.2 above, no person is, as of the date of this document, or will be, immediately following Admission, directly or indirectly, interested in 3 per cent. or more of the Company's issued share capital or voting rights:

<i>Name</i>	<i>Number of Ordinary Shares currently held</i>	<i>Percentage of issued share capital currently held</i>	<i>Number of Ordinary Shares to be held immediately following Admission^{(1),(2)}</i>	<i>Percentage of Enlarged Share Capital to be held immediately following Admission^{(1),(2)}</i>
Union Bancaire Privee, UBP SA	–	–	1,000,000	11.2%
City Financial Investment Company Limited	–	–	1,000,000	11.2%
Numis Securities Limited	–	–	885,000	10.0%
Ruffer LLP	–	–	800,000	9.0%
Investec Asset Management Ltd	–	–	750,000	8.4%
AXA Investment Managers UK Ltd	–	–	750,000	8.4%
Killik & Co LLP	–	–	750,000	8.4%
Investec Wealth & Management Ltd	–	–	645,000	7.2%
Waverton Investment Management Limited	–	–	500,000	5.6%
Octopus Investments Limited	–	–	300,000	3.4%

(1) Assuming the Placing is fully subscribed.

(2) Assuming the cancellation of the deferred shares referred to in paragraph 3.4 above.

- 8.5 The persons identified in paragraph 8.4 above do not have different voting rights from other Shareholders.
- 8.6 Save as disclosed in paragraph 8.4 above, the Company is not aware of any person who, directly or indirectly, jointly or severally, will or could exercise control over the Company immediately following Admission and there are no arrangements the operation of which could result in a change of control of the Company.
- 8.7 There are no loans or guarantees granted or provided by the Company and/or any of its subsidiaries to or for the benefit of any of the Directors which are now outstanding.

9. SERVICE AGREEMENTS AND REMUNERATION OF THE DIRECTORS

Executive Director service agreements

- 9.1 Blair Illingworth entered into a service agreement with the Company on 27 February 2018, which will take effect on Admission. Under the terms of this agreement, Mr Illingworth will be paid a salary of £150,000 per annum, or such other rate as maybe agreed from time to time, which is subject to an annual review by the Company. He is also eligible to participate in the Stirling Industries plc Long-Term Incentive Plan and has been issued with Incentive Shares. Until the Company has completed its first acquisition, Mr Illingworth will not be entitled to a bonus.
- 9.2 Joanne Curin entered into a service agreement with the Company on 27 February 2018, which will take effect on Admission. Under the terms of this agreement, Ms Curin will be paid a salary of £250,000 per annum, or such other rate as maybe agreed from time to time, which is subject to an annual review by the Company. She is also eligible to participate in the Stirling Industries plc Long-Term Incentive Plan and has been issued with Incentive Shares. Until the Company has completed its first acquisition, Ms Curin will not be entitled to a bonus.

- 9.3 Simon Thomas entered into a service agreement with the Company on 27 February 2018, which will take effect on Admission. Under the terms of this agreement, Mr Thomas will be paid a salary of £150,000 per annum, or such other rate as maybe agreed from time to time, which is subject to an annual review by the Company. He is also eligible to participate in the Stirling Industries plc Long-Term Incentive Plan and has been issued with Incentive Shares. Until the Company has completed its first acquisition, Mr Thomas will not be entitled to a bonus.
- 9.4 Each Executive Director's service agreement will, prior to the date on which completion of the Company's first acquisition takes place, be terminable on three months' written notice served by either party and thereafter on 12 months' notice served by either party. The Company may terminate a service agreement at any time by making a payment in lieu of the notice period (or, if applicable, the remainder of the notice period) in an amount equivalent to the salary and may also place an Executive Director on garden leave during all or part of the notice period. In the event an Executive Director is guilty of gross misconduct or in certain other specified circumstances, the Company may terminate the agreement with immediate effect and without notice or payment in lieu thereof.
- 9.5 The terms of each Executive Director service agreement contain certain restrictive covenants applicable for a term of either nine or twelve months following termination in respect of non-competition, non-solicitation of customers, non-dealing with customers, non-interference with suppliers and non-poaching of key employees. In addition, each Executive Director will be required to keep information about the Company confidential and to assign to the Company any intellectual property made by him in the course of his employment.
- 9.6 In addition, each Executive Director will be reimbursed for all reasonable expenses wholly, exclusively and necessarily incurred by him in performing his duties under his service agreement, provided that these are incurred in accordance with Company policy from time to time and properly authorised by the Board.

Non-executive Director letters of appointment

- 9.7 Pursuant to a letter of appointment dated 28 February 2018, Robin George Walton Williams was appointed Non-executive Director of the Company as of 1 March 2018 and on an ongoing basis. Mr Williams is entitled to an aggregate annual fee of £50,000 per annum, including in respect of any service on any Board committee.
- 9.8 Pursuant to a letter of appointment dated 28 February 2018, Christopher Bruce Dowling was appointed Non-executive Director of the Company as of 1 March 2018 and on an ongoing basis. Mr Dowling is entitled to an aggregate annual fee of £30,000 per annum, including in respect of any service on any Board committee.
- 9.9 Each Non-executive Director's letter of appointment is terminable on three months' notice without entitlement to any compensation (save for any accrued but unpaid fees as at such termination date and any termination payment due) at any time by written notice from either the Company or the relevant Non-executive Director. Otherwise, each Non-executive Director must stand for re-election at the Company's annual general meeting at least every three years. If a Non-executive Director is not re-elected by the Shareholders at any time and for any reason, that Non-executive Director's appointment will terminate automatically with immediate effect and without compensation.
- 9.10 In addition, each Non-executive Director will be reimbursed for all reasonable and properly documented expenses incurred in the performance of his duties, which includes expenses incurred in seeking independent professional advice in accordance with the Company's policy on Directors seeking independent professional advice.
- 9.11 Each of these Non-executive Directors, being eligible to participate in the Stirling Industries plc Long-Term Incentive Plan, they have each been issued with Incentive Shares.

Directors Deed of Indemnity

9.12 The Company has provided a qualifying third party indemnity (the terms of which are in accordance with the Companies Act) to each of the Directors and which includes the right to recover costs on an on-going basis by way of a loan from the Company.

10. EMPLOYEES

In addition to the Executive Directors, the Company has one other employee.

11. INTELLECTUAL PROPERTY

The Directors are not aware of any patents or other intellectual property rights, licences, industrial, commercial or financial contracts or new manufacturing processes which are or may be material to the Company's business or profitability.

12. ENVIRONMENTAL

The Directors are not aware of any environmental issues that may affect the Company's utilisation of its tangible fixed assets.

13. MATERIAL TRENDS

The Directors are not aware of any (i) trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year; or (ii) significant recent trends in production, sales and inventory, and costs and selling prices since the Company's date of incorporation to the date of this document.

14. PENSIONS

The Company does not currently operate any pension schemes, but may implement a pension scheme in the future.

15. UNITED KINGDOM TAXATION

The following is a general guide to certain limited aspects of the UK tax treatment of holding and disposing of the Ordinary Shares, and does not purport to be a complete analysis of all the potential UK tax considerations thereof. The comments set out below do not constitute tax advice and are based on current United Kingdom tax law as applied in England and Wales and HM Revenue & Customs' published practice (which may not be binding on HM Revenue & Customs) as at the date of this document, both of which are subject to change, possibly with retrospective effect.

The information provided below applies only to shareholders (a) who are resident (and, in the case of individuals, domiciled) for UK tax purposes in the United Kingdom; (b) who hold their shares as investments (other than in an individual savings account); and (c) who are the absolute beneficial owners thereof.

The discussion does not address all possible tax consequences relating to an investment in any relevant shares. Certain categories of investors, including those carrying on certain financial activities, (including market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services), those subject to specific tax regimes or benefiting from certain reliefs and exemptions and those for whom the shares are employment-related securities may be subject to special rules and this summary does not apply to such investors. Such investors should consult their professional advisors without delay.

Shareholders or prospective shareholders who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, or who are in any doubt about their tax position, are also advised to consult their own professional advisers immediately.

15.1 *Dividends on the Ordinary Shares*

(a) *UK tax resident individual shareholders*

All dividends received by a shareholder who is an individual in respect of the Ordinary Shares will form part of that shareholder's total income for income tax purposes and will constitute the top slice of that income. A nil rate of income tax will apply to the first £5,000 (reducing to £2,000 for the 2018/19 tax year) of taxable dividend income received by that shareholder in a tax year.

Where the dividend income is above the dividend allowance, an individual shareholder will not be subject to tax on dividend income above the dividend allowance to the extent that, treating that income as the top slice of the shareholder's income, that income would be within that individual's personal allowance (the standard personal allowance being £11,500, increasing to £11,859 for the 2018/19 tax year). Any amount in excess of the nil rate and the personal allowance (if applicable) will be taxed at the relevant rate. The rates are 7.5% to the extent that the excess amount falls within the basic rate tax band, 32.5% to the extent that the excess amount falls within the higher rate tax band and 38.1% to the extent that the excess amount falls within the additional rate tax band.

(b) *UK tax resident corporate shareholders*

Dividends paid to shareholders who are subject to UK corporation tax are likely to fall within one or more of the classes of dividend qualifying for exemption from corporation tax, although the exemptions are not comprehensive and are also subject to anti-avoidance rules. Such shareholders should consult their own professional advisers.

15.2 *Disposals of Ordinary Shares*

A disposal or deemed disposal of Ordinary Shares by a shareholder who is resident in the United Kingdom for tax purposes may give rise to a liability to UK tax on capital gains (in the case of shareholders who are individuals) or UK corporation tax on chargeable gains (in the case of shareholders within the charge to UK corporation tax) depending upon the shareholder's circumstances and subject to any available exemption or relief.

(a) *UK tax resident individual shareholder*

For an individual shareholder within the charge to UK capital gains tax, a disposal (or deemed disposal) of the Ordinary Shares may give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax. The rate of capital gains tax on the disposal of shares is 10% (for the tax years 2017/2018 and 2018/19) for basic rate taxpayers and 20% (for the tax years 2017/2018 and 2018/19) for higher or additional rate taxpayers. An individual shareholder is entitled to realise an annual exempt amount of gains (currently £11,300 for the tax year 2017/2018, increasing to £11,700 for the 2018/19 tax year) without being liable to tax.

(b) *UK tax resident corporate shareholders*

For a corporate shareholder within the charge to UK corporation tax, a disposal (or deemed disposal) of the Ordinary Shares may give rise to a chargeable gain or allowable loss for the purposes of UK corporation tax, depending on the circumstances and subject to any available exemption or relief. The rate of UK corporation tax is 19% for the financial years commencing 1 April 2017, 1 April 2018 and 1 April 2019. Legislation has been enacted which reduces the rate of UK corporation tax to 17% for the financial year commencing 1 April 2020.

15.3 *Stamp Duty and Stamp Duty Reserve Tax*

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or stamp duty reserve tax or (except where stated otherwise) to persons connected with depositary arrangements or clearance services who may be liable at a higher rate.

No stamp duty or stamp duty reserve tax should generally be payable on the issue of Ordinary Shares. Nor should any UK stamp duty or stamp duty reserve tax arise on transfers of Ordinary Shares on AIM (including instruments transferring Shares and agreements to transfer Ordinary Shares) for so long as:

- (i) the Ordinary Shares are admitted to trading on AIM, but are not listed on any market (with the term “listed” being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and
- (ii) AIM continues to be accepted as a “recognised growth market” as construed in accordance with section 99A of the Finance Act 1986.

In the event that either of the above assumptions does not apply, stamp duty or stamp duty reserve tax may apply to transfers of Ordinary Shares in certain circumstances.

16. MATERIAL CONTRACTS

16.1 The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered the Company since its incorporation and which are, or may be, material to the Company or which contains any provision under the Company has any obligation or entitlement which is or may be material to the Company at the date of this document. Stirling Group Holdings Limited has not entered into any contracts since its incorporation.

16.2 *Arrangements relating to the Placing*

On 1 March 2018, the Company, the Directors and Numis entered into the Placing Agreement pursuant to which Numis agreed, conditionally upon, *inter alia*, Admission taking place not later than 6 March 2018 (or such later date being not later than 31 March 2018 as Numis and the Company may agree), to use reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing Agreement contains certain customary warranties, undertakings and indemnities given by the Company and the Directors in favour of Numis and is also conditional, *inter alia*, on none of the warranties given to Numis prior to Admission being untrue or inaccurate or misleading in any material respect.

Numis will receive a corporate finance fee of £200,000 (excluding VAT). The fee will be satisfied by the issue of Ordinary Shares to Numis at the Placing Price.

Numis may terminate the Placing Agreement in specified circumstances, including for material breach of warranty at any time prior to Admission and if, in the good faith opinion of Numis, a material adverse change has occurred at any time prior to Admission.

Blair Illingworth, Joanne Curin, Simon Thomas, Robin Williams and Christopher Dowling have each entered into a Lock-in Agreement pursuant to which they have each agreed with Numis and the Company that they will not dispose of any interest in Ordinary Shares for a period of 12 months following Admission (the “**Restricted Period**”) save for in those circumstances specified in Rule 7 of the AIM Rules for Companies, and that for a period of six months following the expiry of the Restricted Period, except in certain limited circumstances, they will not dispose of any interest in Ordinary Shares without the written consent of Numis, and for a period of six months thereafter they would only dispose of their interest in Ordinary Shares through the Company’s broker for the time being.

16.3 *Nominated Adviser and Broker Agreement*

- (a) Pursuant to a nominated adviser and broker agreement dated 1 March 2018 and made between Numis and the Company, the Company appointed Numis as its nominated adviser and broker in relation to and following Admission in accordance with the AIM Rules for Companies and the AIM Rules for Nominated Advisers. The agreement sets out the scope of Numis’ engagement.

- (b) Numis will, following Admission, receive an annual fee of £10,000 until such time as the Company completes its first acquisition (whereupon it will be reviewed), payable by four equal instalments quarterly in advance. In addition, the Company will pay all costs and expenses which Numis may properly incur in connection with Numis' appointment. The agreement is terminable by either party giving the other party one month's written notice. Numis has also reserved the right to terminate the agreement with immediate effect in the event of, inter alia, a material breach by the Company or the Directors of the agreement or the AIM Rules for Companies if such breach has not been remedied within seven days of it being notified to the Company by Numis. Numis has also reserved the right to terminate the agreement with immediate effect in the event of the Company failing to accept Numis' advice.
- (c) Under the agreement, the Company gave certain customary indemnities to Numis in connection with its engagement as the Company's nominated adviser and broker.

16.4 **Registrar Agreement**

Pursuant to an agreement between the Registrar and the Company dated 1 March 2018, the Registrar has been retained by the Company to maintain the register of members. The agreement may be terminated by either party on service of three months' notice on the other, such notice to expire no earlier than the first anniversary of the date of the agreement. The agreement may also be terminated immediately by either party in certain specified circumstances such as insolvency or material breach of the agreement by one party or the other. The basic fee payable by the Company to the Registrar is subject to an annual minimum charge of £3,480. In addition, various transfer fees are also payable on the transfer of any Ordinary Shares. This agreement contains customary warranties and indemnities given by the Company to the Registrar relating to the due incorporation and capacity of each party.

17. **RELATED PARTY TRANSACTIONS**

Save as referred to note 4 of the financial information in Part B of Part III (*Historical Financial Information of the Company*) of this document, since the date of the Company's incorporation, it has not entered into any related party transaction.

18. **WORKING CAPITAL**

The Directors are of the opinion, having made due and careful enquiry, that, taking into account the Net Proceeds of the Placing, the working capital available to the Company is sufficient for its present requirements, that is, for at least the 12 months from the date of Admission.

19. **NO SIGNIFICANT CHANGE**

There has been no significant change in the financial or trading position of the Company since 13 February 2018, being the date of incorporation of the Company.

20. **LITIGATION AND ARBITRATION**

There are no and have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this document which may have, or have had, a significant effect on the Company's financial position or profitability.

21. **MANDATORY BIDS, SQUEEZE-OUT AND SELL-OUT RULES RELATING TO THE ORDINARY SHARES**

Details of the mandatory bid provisions of the Takeover Code which will apply to the Company are described in paragraph 10 of Part I (*Information on the Company*) of this document.

22. CONSENTS

- 22.1 Numis has given and not withdrawn its written consent to the issue of this document with the inclusion herein of its name and references to it in the form and context in which they appear.
- 22.2 KPMG LLP has given and not withdrawn its written consent to the inclusion in this document of its accountants' report in Section A of Part III (*Historical Financial Information of the Company*) of the document on the historical financial information of the Group, in the form and context in which it is included.
- 22.3 None of the persons referred to in paragraphs 22.1 and 22.2 have any interest in the Company which is or may be material other than in respect of their professional fees.

23. GENERAL

- 23.1 Assuming the Placing is fully subscribed, the gross proceeds of the Placing are expected to be £8.9 million. The total costs and expenses relating to Admission and Placing are expected to be £0.5 million (excluding VAT where appropriate). The Net Proceeds of the Placing are therefore expected to be £8.4 million.
- 23.2 The Ordinary Shares will be in registered form and will be capable of being held in both certificated or uncertificated form. They are denominated in sterling. The ISIN for the Ordinary Shares is GB00BFX0W490.
- 23.3 No persons (excluding Directors and the Company's professional advisers) have received, in the period between the Company's incorporation and submission of the application for Admission, directly or indirectly, from the Company or has entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any of the following:
- (a) fees totalling £10,000 or more;
 - (b) securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price; or
 - (c) any other benefit with a value of £10,000 or more at the date of Admission.
- 23.4 Other than the current application for Admission, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made or refused nor are there intended to be any other arrangements for dealings in the Ordinary Shares.
- 23.5 Monies received from applicants pursuant to the Placing will be held by Numis until such time as the Placing Agreement becomes unconditional in all respects. If the Placing Agreement does not become unconditional in all respects by 6 March 2018 (or such later date being not later than 12 March 2018 as Numis and the Company may agree), application monies will be returned to applicants at their own risk without interest.
- 23.6 The Directors are not aware of any exceptional factors which have influenced the Company's activities.
- 23.7 There have been no public takeover bids by third parties in respect of the shares of the Company at any time.
- 23.8 Since incorporation, the Company has not made up any financial statements or published any financial information save for the information contained in Part III (*Historical Financial Information of the Company*) of this document. The Company's reporting accountant for the period covered by the historical financial information in Part III of this document is KPMG LLP, 15 Canada Square, London E14 5GL, which is a member of the Institute of Chartered Accountants in England and Wales.

- 23.9 The financial information set out in this document relating to the Company does not constitute statutory accounts within the meaning of section 434 of the Companies Act. Part III (*Historical Financial Information of the Company*) of this document contains the details of post balance sheet events that have occurred since incorporation. The receipt by the Company of the Net Proceeds of the Placing will constitute a significant change to the assets of the Company.
- 23.10 To the extent that information in this document has been sourced from third parties, such information has been accurately reproduced and, as far as the Company is aware and has been able to ascertain from information published by the relevant third party, no facts have been omitted which render the reproduced information inaccurate or misleading.
- 23.11 Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the Company's registered office from the date of this document and shall remain available for a period of one month following Admission. A copy of this document will also be available on the Company's website www.stirlingplc.com.

Dated 1 March 2018

PART V

TERMS AND CONDITIONS OF THE PLACING

1. INTRODUCTION

- 1.1 Each Placee which confirms its agreement to Numis (whether orally or in writing) to subscribe for Ordinary Shares under the Placing, hereby agrees with Numis that it will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.2 The Company and Numis may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit.

2. AGREEMENT TO PURCHASE ORDINARY SHARES

Conditional on (i) Admission occurring and becoming effective by 8 a.m. on or prior to 6 March 2018 (or such later time and/or date, being not later than 12 March 2018, as the Company and Numis may agree); (ii) the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated in accordance with its terms on or before Admission; and (iii) Numis confirming to the relevant Placees their allocation of Ordinary Shares in the Placing at the Placing Price, a Placee irrevocably agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares allocated to it by Numis at the Placing Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any rights to rescind or terminate or otherwise withdraw from such commitment at any time. This does not affect any other rights the Placee may have.

3. PAYMENT FOR ORDINARY SHARES

Each Placee undertakes to pay the Placing Price for the Ordinary Shares issued to the Placee in the manner and by the time directed by Numis. In the event of any failure by any Placee to pay as so directed and/or by the time required, the relevant Placee shall be deemed hereby to have appointed Numis or any nominee of Numis as its agent to use its reasonable endeavours to sell (in one or more transactions) any or all of the Ordinary Shares in respect of which payment shall not have been made as directed, and to indemnify Numis and its respective affiliates on demand in respect of any liability for stamp duty and/or stamp duty reserve tax or any other liability whatsoever arising in respect of any such sale or sales. A sale of all or any of such Ordinary Shares shall not release the relevant Placee from the obligation to make such payment for relevant Ordinary Shares to the extent that Numis or their nominees have failed to sell such Ordinary Shares at a consideration which, after deduction of the expenses of such sale and payment of stamp duty and/or stamp duty reserve tax as aforementioned, exceeds the Placing Price (as applicable) per Ordinary Share.

4. REPRESENTATIONS AND WARRANTIES

- 4.1 By agreeing to subscribe for Ordinary Shares, each Placee that enters into a commitment to subscribe for Ordinary Shares will (for itself and for any person(s) procured by it to subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be deemed to undertake, represent and warrant to each of the Company and Numis that:
 - (a) it is relying solely on this document (or any supplementary admission document (as the case may be)) and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Ordinary Shares or the Placing. It agrees that neither the Company nor Numis, or any of their respective officers, agents, employees or affiliates will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
 - (b) if the laws of any territory or jurisdiction outside Jersey or the United Kingdom are applicable to its agreement to subscribe for Ordinary Shares under the Placing, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be

required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, Numis or the Registrar or any of their respective officers, agents, employees or affiliates acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing;

- (c) it has carefully read and understands this document in its entirety and acknowledges that it is acquiring Ordinary Shares on the terms and subject to the conditions set out in this Part V (*Terms and Conditions of the Placing*) and the Articles as in force at the date of Admission. Such Placee agrees that these terms and conditions represent the whole and only agreement between the Placee, the Company and Numis in relation to the Placee's participation in the Placing and supersedes any previous agreement between any of such parties in relation to such participation. Accordingly, all other terms, conditions, representations, warranties and other statements which would otherwise be implied (by law or otherwise) shall not form part of these terms and conditions. Such Placee agrees that neither of the Company or Numis, nor any of their respective officers or directors will have any liability for any such other information or representation and irrevocably and unconditionally waives any rights it may have in respect of any such other information or representation;
- (d) it has not relied on Numis or any person affiliated with any of them in connection with any investigation of the accuracy of any information contained in this document;
- (e) it acknowledges that the contents of this document are exclusively the responsibility of the Company and its Directors and neither Numis nor any person acting on their behalf nor any of their affiliates are responsible for or shall have any liability for any information, representation or statement contained in this document or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Placing based on any information, representation or statement contained in this document or otherwise;
- (f) it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this document and, if given or made, any information or representation must not be relied upon as having been authorised by Numis or the Company;
- (g) it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- (h) it accepts that none of the Ordinary Shares have been or will be registered under the laws of any Excluded Territory. Accordingly, the Ordinary Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Excluded Territory unless an exemption from any registration requirement is available;
- (i) if it is within the United Kingdom, it is a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or is a person to whom the Ordinary Shares may otherwise lawfully be offered under such Order, or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the Ordinary Shares may be lawfully offered under that other jurisdiction's laws and regulations and in all cases is capable of being categorised as a person who is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook;
- (j) if it is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Ordinary Shares

pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Ordinary Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;

- (k) it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Ordinary Shares and it is not acting on a non-discretionary basis for any such person;
- (l) it has complied with and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing in, from or otherwise involving the United Kingdom;
- (m) if the Placee is a natural person, such investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor's agreement to subscribe for Ordinary Shares under the Placing and will not be any such person on the date any such Placing (as applicable) is accepted;
- (n) it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other offering materials concerning the Placing or the Ordinary Shares to any persons within an Excluded Territory or to any US person (as defined in Regulation S), nor will it do any of the foregoing;
- (o) it acknowledges that neither Numis nor any of their respective affiliates or any person acting on its or their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing and participation in the Placing is on the basis that it is not and will not be a client of Numis and that neither does Numis have any duties or responsibilities to it for providing protection afforded to their respective clients or for providing advice in relation to the Placing;
- (p) that, save in the event of fraud on the part of Numis, or in respect of any liability which cannot be excluded under FSMA, and its respective ultimate holding company, nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees shall be responsible or liable to a Placee or any of its clients for any matter arising out of Numis' role as nominated adviser, broker and bookrunner or otherwise in connection with the Placing and that where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, will immediately waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;
- (q) it acknowledges that where it is subscribing for Ordinary Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Ordinary Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this document; and (iii) to receive on behalf of each such account any documentation relating to the Placing (as applicable) in the form provided by the Company and/or Numis. It agrees that the provision of this paragraph shall survive any resale of the Ordinary Shares by or on behalf of any such account;
- (r) it irrevocably appoints any Director of the Company and/or any director of Numis to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Ordinary Shares for which it has given a commitment under the Placing, in the event of its own failure to do so;

- (s) the exercise by Numis of any rights or obligations under the Placing Agreement shall be within their absolute discretion and Numis needs not have any reference to any Placee and it accepts that if the Placing does not proceed or the relevant conditions to the Placing Agreement are not satisfied for any reason whatsoever then neither Numis nor the Company, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- (t) in connection with its participation in the Placing it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007, and any other applicable law concerning the prevention of money laundering and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 2007 in force in the United Kingdom; or (ii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing);
- (u) it acknowledges that due to anti-money laundering requirements and the countering of terrorist financing, Numis and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Numis and the Company may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify Numis and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been requested has not been provided by it in a timely manner;
- (v) it is entitled to acquire the Ordinary Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Ordinary Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, Numis or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with its acceptance of participation in the Placing;
- (w) it acknowledges and agrees that information provided by it to the Company or the Registrar will be stored on the Registrar's computer system and in hard copy. It acknowledges and agrees that for the purposes of the Data Protection Act 1998 (the "**Data Protection Law**") and other relevant data protection legislation which may be applicable, the Registrar is required to specify the purposes for which it will hold personal data. The Registrar will only use such information for the purposes set out below (collectively, the "**Purposes**"), being to:
 - (a) process its personal data (including sensitive personal data) as required by or in connection with its holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on it;
 - (b) communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;
 - (c) provide personal data to such third parties as the Registrar may consider necessary in connection with its affairs and generally in connection with its holding of Ordinary

Shares or as the Data Protection Law may require, including to third parties outside the United Kingdom or the EEA;

- (d) without limitation, provide such personal data to the Company, Numis and their respective associates for processing, notwithstanding that any such party may be outside the United Kingdom or the EEA;
- (x) in providing the Registrar with information, it hereby represents and warrants to the Registrar that it has obtained the consent of any data subjects to the Registrar and its associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the purpose set out in paragraph 4.1.23 above). For the purposes of this document, “data subject”, “personal data” and “sensitive personal data” shall have the meanings attributed to them in each Data Protection Law (as appropriate);
- (y) Numis and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to them;
- (z) the representations, undertakings and warranties contained in this document are irrevocable. It acknowledges that Numis and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Ordinary Shares are no longer accurate, it shall promptly notify Numis and the Company;
- (aa) where it or any person acting on behalf of it is dealing with Numis, any money held in an account with Numis, on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require Numis to segregate such money, as that money will be held by Numis under a banking relationship and not as trustee;
- (bb) any of its clients, whether or not identified to Numis will remain its sole responsibility and will not become clients of Numis for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- (cc) it accepts that the allocation of Ordinary Shares shall be determined by Numis and the Company in their absolute discretion and that such persons may scale down any Placing commitments for this purpose on such basis as they may determine; and
- (dd) time shall be of the essence as regards its obligations to settle payment for the Ordinary Shares and to comply with its other obligations under the Placing.

5. UNITED STATES PURCHASE AND TRANSFER RESTRICTIONS

5.1 By participating in the Placing, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to the Company and Numis that:

- (a) it is (i) not located within the United States and is acquiring the Ordinary Shares in an “offshore transaction” within the meaning of and pursuant to Regulation S; (ii) not a US person (as defined in Regulation S) and it is not acquiring the Ordinary Shares for the account or benefit of a US person; and (iii) not acquiring any Ordinary Shares as a result of any “directed selling efforts” as defined in Regulation S;
- (b) it acknowledges that the Ordinary Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly in the United States or to, or for the account or benefit of, US persons (as defined in Regulation S) absent

registration except pursuant to an exemption from or registration requirements of the US Securities Act;

- (c) it acknowledges that the Company has not registered under the US Investment Company Act, that investors will not be entitled to the benefits of that act, and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the US Investment Company Act;
 - (d) it is not, and for so long as it holds the Ordinary Shares or any beneficial interest therein will not be, a US Plan Investor, it is not acting on behalf of a US Plan Investor, and no portion of the assets used by it to acquire or hold the Ordinary Shares or any beneficial interest therein constitutes or will constitute “plan assets” of any US Plan Investor under the US Plan Asset Regulation. In addition, if the Placee is, or is acting on behalf of, an Other Plan Investor, or any portion of the assets used by the Placee to acquire or hold the Ordinary Shares or any beneficial interest therein constitutes, or will constitute, assets of an Other Plan Investor for purposes of any Similar Law, its purchase, holding and disposition of the Ordinary Shares will not constitute or result in a non-exempt violation of any such Similar Law or cause the assets of the Company to be deemed to be assets of such Other Plan Investor for purposes of any such Similar Law;
 - (e) it is purchasing the Ordinary Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Ordinary Shares in any manner that would violate the US Securities Act, the US Investment Company Act or any other applicable securities laws;
 - (f) it acknowledges that the Company reserves the right to make inquiries of any holder of the Ordinary Shares or interests therein at any time as to such person’s status under the US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under the US securities laws to transfer such Ordinary Shares or interests in accordance with the Articles;
 - (g) it acknowledges and understand the Company is required to comply with FATCA and that the Company will follow FATCA’s extensive reporting and withholding requirements. The Placee agrees to furnish any information and documents which the Company may from time to time request, including but not limited to information required under FATCA;
 - (h) it has received, carefully read and understands this document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the Ordinary Shares to or within the United States or to a US person (as defined in Regulation S), nor will it do any of the foregoing; and
 - (i) if it is acquiring any Ordinary Shares as a fiduciary or agent for one or more accounts, the investor has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.
- 5.2 The Company, Numis and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.
- 5.3 If any of the representations, warranties, acknowledgments or agreements made by the Placee are no longer accurate or have not been complied with, the Placee will immediately notify the Company and Numis.

6. SUPPLY AND DISCLOSURE OF INFORMATION

If Numis, the Registrar or the Company or any of their respective agents request any information about a Placee's agreement to subscribe for Ordinary Shares under the Placing, such Placee must promptly disclose it to them.

7. MISCELLANEOUS

- 7.1 The rights and remedies of Numis, the Registrar and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 7.2 On application, if a Placee is an individual, that Placee may be asked to disclose in writing or orally, his nationality. If a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.
- 7.3 Each Placee agrees to be bound by the Articles once the Ordinary Shares, which the Placee has agreed to subscribe for pursuant to the Placing, have been acquired by the Placee. The contract to subscribe for Ordinary Shares under the Placing and the appointments and authorities mentioned in this document and all disputes and claims arising out of or in connection with its subject matter or formation (including any non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of Numis, the Company and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against a Placee in any other jurisdiction.
- 7.4 In the case of a joint agreement to subscribe for Ordinary Shares under the Placing, references to a Placee in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.
- 7.5 Numis and the Company expressly reserve the right to modify the Placing (including, without limitation, its timetable and settlement) at any time before allocations are determined. The Placing is subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated. Further details of the terms of the Placing Agreement are contained in paragraph 16.2 of Part IV (*Additional Information*) of this document.

