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Circulation Date 27/6/ 2012

**CARBON CREDENTIALS ENERGY SERVICES LIMITED** ("the Company")

Company Number 76659472

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following are passed as Written Resolutions

We the undersigned, being a majority of 75% of the total voting rights of eligible members of the Company who at the date of this resolution are entitled to attend and vote at a general meeting of the Company on the following, resolve

**SPECIAL RESOLUTIONS:**

1. **THAT** the 10 issued ordinary shares of £1 00 each in the capital of the Company are sub-divided into 10,000 ordinary shares of £0 001 each in the capital of the Company having such rights as set out in the articles of association of the Company proposed to be adopted pursuant to resolution 5 below f13
2. **THAT** the 5,000 ordinary shares of £0 001 each in the capital of the Company registered in the name of Richard Green be re-designated as 'A' ordinary shares of £0 001 each
3. **THAT** the 5,000 ordinary shares of £0 001 each in the capital of the Company registered in the name of Cian Duggan be re-designated as 'B' ordinary shares of £0 001 each f12
4. **THAT** the authorised share capital of the Company be increased by £10 811 by the creation of 811 'C' ordinary shares of £0 001 each in the capital of the Company having the rights as set out in the articles of association of the Company proposed to be adopted pursuant to resolution 5 below f14
5. **THAT** the articles of association in the form attached to the Resolution be and are hereby adopted as the new articles of association of the Company AA

**AGREEMENT**

Please read the notes at the end of this document before signifying your agreement to the Resolution


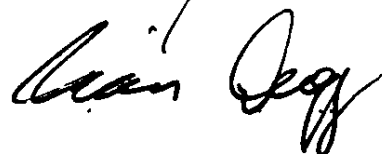
The undersigned, each being a person entitled to vote on the Resolutions on the      day of 2012 hereby irrevocably agrees to the Resolutions



(2)

The notes at the end of this document should be read before signifying your agreement to the Special Resolutions. These resolutions shall be effective as of the date on which the holders of not less than, in the case of Special Resolutions, a majority of 75% of the total voting rights of eligible members of the Company who would have been entitled to vote on the resolutions set out above on the circulation date sign these resolutions and shall otherwise lapse if they together are not passed before the end of the period of 28 days beginning with the circulation date (as defined in section 290 of the Act). This resolution may be executed in any number of counterparts and by different eligible members in separate counterparts each of which shall, when executed, be an original but all of the counterparts shall together constitute one and the same instrument.

**Signed by:**

Print Name	Signature	Dated	No. of Voting Shares
Richard Green		27/JUNE 2012	5
Cian Duggan		27 June 2012	.5

**NOTES**

- 1 If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods
  - **By Hand** delivering the signed copy to the Company's register office marked for the attention of the Company Secretary
  - **Post** returning the signed copy by post to the Company's register office marked for the attention of the Company Secretary

The Company's registered office is at Picktree House, The Barn, Tilford Road, Farnham, Surrey, United Kingdom G09 8HU

If you do not agree to the Resolutions, you do not need to do anything: you will not be deemed to agree if you fail to reply

- 2 Once you have indicated your agreement to the Resolution, you may not revoke your agreement

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- 3 Unless, within 28 days of the circulation date of this resolution, sufficient agreement has been received for the Resolutions to pass, they will lapse. If you agree to the Resolution, please ensure that your agreement reaches us before or during this date.
- 4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.
- 5 If you are signing this document on behalf of a person under a power of attorney or other authority, please send a copy of the relevant power of attorney or authority when returning this document.

27 June 2012

**COMPANIES ACT 2006**

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**PRIVATE COMPANY LIMITED BY SHARES**

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**NEW ARTICLES OF ASSOCIATION**

of

**CARBON CREDENTIALS ENERGY SERVICES LIMITED (the "Company")**

(company number 7665942)

(adopted by special resolution passed as a written resolution on **27/6/2012**)**1. INTERPRETATION**

1.1 In these Articles, unless the context otherwise requires

<b>"2006 Act"</b>	means the Companies Act 2006 (as amended from time to time),
<b>"Acting in Concert"</b>	has the meaning given to it in The City Code on Takeovers and Mergers published by The Panel on Takeovers and Mergers (as amended from time to time),
<b>"Active Period"</b>	means, in respect of a Transfer Notice, the period from the time of its service until the time when none of the Shareholders has any further rights or duties, directly or indirectly, to that notice,
<b>"Articles"</b>	means the Company's Articles of Association for the time being in force,
<b>"Business Day"</b>	means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are open for business;
<b>"Conflict"</b>	has the meaning given in Article 10 1,
<b>"Controlling Interest"</b>	means an interest in shares giving to the holder or holders control of the company within the meaning of section 840 of the Income and Corporation Taxes Act 1988,

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<b>"Departing Employee Shareholder"</b>	means an Employee Shareholder who ceases to be a director or employee of any Group Company and who does not continue as, or become, a director or employee of any other Group Company;
<b>"Early Leaver"</b>	means a Departing Employee Shareholder who becomes a Departing Employee Shareholder for any reason within [18] months of (but excluding) the date of the adoption of these Article],
<b>"Eligible Director"</b>	means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter),
<b>"Employee Shareholder"</b>	means a shareholder who is, or has been, a director and/or an employee of any Group Company,
<b>"Experts"</b>	means an independent firm of accountants or other entity capable of acting as the Company's auditors (but not being the Company's auditors) nominated by agreement between the Shareholders or failing such nomination within 14 days after a request by any Shareholder for such nomination, nominated by the President (or, if he is unavailable for any reason, the next most senior available officer) from time to time of the Institute of Chartered Accountants in England and Wales upon the application at any time of any Shareholder,
<b>"FSMA"</b>	means the Financial Services and Markets Act 2000 (as amended from time to time),
<b>"Good Leaver"</b>	<p>means an Employee Shareholder who becomes a Departing Employee Shareholder (other than an Early Leaver) by reason of</p> <ul style="list-style-type: none"><li>(a) death,</li><li>(b) permanent disability or permanent incapacity through ill-health,</li><li>(c) retirement at the Group's normal retirement age,</li><li>(d) ceasing to be employed by any Group Company as a result of a Group Company ceasing to be a Group Company, or</li><li>(e) dismissal by the Company (or other Group Company) which is determined, by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal or which is otherwise agreed by the relevant Group Company, to be wrongful [or constructive],</li></ul>

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<b>"Group"</b>	means the Company and its subsidiary undertakings from time to time and references to "member of the Group" and "Group Company" are to be construed accordingly
<b>"Investor"</b>	means Sean Russell Williams (together with any additional or replacement "investor" who is joined as an "investor" in a deed of adherence executed in accordance with any Shareholders' Agreement),
<b>"Investment' Agreement"</b>	means any agreement between the Shareholders from time to time,
<b>"Investor Group"</b>	in relation to each Investor which is a company, means the Investor or any subsidiary or holding company of the Investor or subsidiary of a holding company of the Investor (each a <b>"Relevant Person"</b> ),
<b>"Issue Price"</b>	in respect of any share, means the subscription price paid (or agreed to be paid) in respect of that share, including any share premium,
<b>"Model Articles"</b>	means the Model Articles for private companies limited by shares contained in schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles,
<b>"Offer Price"</b>	has the meaning given to it in Article 4 4;
<b>"Relevant Shares"</b>	in relation to an Employee Shareholder, means all shares registered in the name of, or beneficially owned by, the Employee Shareholder in question [(whether alone or jointly with any other person)] and including any shares acquired by any such person [(whether alone or jointly with any other person)] after the date the relevant Transfer Notice is deemed given but before completion of the transfer of shares pursuant to the relevant Transfer Notice"
<b>"Shares"/"Ordinary Shares"</b>	means the ordinary shares (classes A to C (inclusive) of £0 001 each in the capital of the Company
<b>"Shareholder"</b>	means a registered holder of shares in the Company,
<b>"Termination Date"</b>	means <ul style="list-style-type: none"> <li>(a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires,</li> <li>(b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;</li> </ul>

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	<p>(c) where an Employee Shareholder dies, the date of his death,</p> <p>(d) where the Employee Shareholder concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the relevant group company is terminated, or</p> <p>(e) in any other case, the date on which the employment or holding of office is terminated,</p>
<b>"Transfer Notice"</b>	has the meaning given to it in Article 4 2

- 1 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the 2006 Act shall have the same meanings in these Articles
- 1 3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles
- 1 4 A reference in these Articles to an "Article" is a reference to the relevant Article of these Articles unless expressly provided otherwise
- 1 5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of
- (a) any subordinate legislation from time to time made under it, and
  - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts
- 1 6 Any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms
- 1 7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1 8 Articles 14(1), (2), (3) and (4), 17(2), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the Company
- 1 9 Article 7 of the Model Articles shall be amended by
- (a) the insertion of the words "for the time being" at the end of Article 7(2)(a), and

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(b) the insertion in Article 7(2) of the words “(for so long as he remains the sole director)” after the words “and the director may”

1 10 Article 20 of the Model Articles shall be amended by the insertion of the words “and the secretary” before the words “properly incur”

1 11 In Article 25(2)(c) of the Model Articles, the words “evidence, indemnity and the payment of a reasonable fee” shall be deleted and replaced with the words “evidence and indemnity”

1 12 Article 29 of the Model Articles shall be amended by the insertion of the words “, or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under Article 28(2),” after the words “the transmittee's name”

1 13 Articles 31(1)(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words “either” and “or as the directors may otherwise decide”

1 14 The Company is a private company limited by shares and the liability of the members is limited

## **2. SHARE CAPITAL AND OTHER RIGHTS**

2.1 The share capital of the Company at the date of adoption of these Articles is £10 811 divided into 5,000 A ordinary shares of £0 001 each 5,000 B ordinary shares of £0 001 each and 811 “C” ordinary shares of £0 001 each

2 2 All Shares shall be identical and rank *pari passu* except for the following provision

(a) the profits of the Company which are resolved to be divided amongst the members in any year shall be applied in paying to the holders of the respective classes of shares dividends at such respective rates (if any) as the Company in General Meeting shall determine and so that a dividend or dividends may be declared on the respective classes of shares The Directors may pay an interim dividend or dividends on one or several classes of shares to the exclusion of any class or classes and may pay interim dividends at different rates on the respective classes of shares

(b) in the event of a return on capital the aggregate net proceeds of such return on capital shall be applied to the then holders of Ordinary Shares *pari-passu*

## **3. PRE-EMPTION RIGHTS ON NEW ALLOTMENTS OF EQUITY SECURITIES**

3 1 Any equity securities (applying the meaning given to that expression in section 560 of the 2006 Act) of the Company from time to time which are to be allotted following the date of adoption of these Articles shall, before they are allotted, be offered to the



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Shareholders in proportion (as nearly as may be) to the nominal value of the shares held by them. The making of such an offer is subject to any direction or agreement to the contrary contained in any Investment Agreement and also to the remaining paragraphs of this Article 3. A reference to the allotment of equity securities in this Article 3 includes the grant of a right to subscribe for, or convert any securities into, ordinary shares in the capital of the Company but such a reference does not include the allotment of any ordinary shares pursuant to such a right.

- 3.2 The offer referred to in Article 3.1 shall be at the same price and on the same terms to each Shareholder. The offer shall be made by notice specifying the number or amount of equity securities offered, the proportionate entitlement of the relevant Shareholder, the price per equity security or amount of equity securities and a period (of not less than 14 days) within which the offer, if not accepted, will be deemed to be declined ("**Acceptance Period**")
- 3.3 After the expiration of the Acceptance Period, the directors shall allot the equity securities so offered to or among the Shareholders who have notified their willingness to take all or any of such equity securities in accordance with the terms of the offer. No Shareholder shall be obliged to take more than the maximum number or amount of equity securities he has indicated his willingness to take.
- 3.4 Any equity securities not accepted pursuant to the offer shall, subject to the terms of any Investment Agreement, be at the disposal of the directors. However, no equity securities that are shares shall be issued at a discount and, in the case of equity securities not accepted pursuant to the offer as mentioned above, such equity securities shall not be disposed of on terms that are more favourable to the allottees of such equity securities than the terms on which they were offered to the Shareholders.
- 3.5 The discretion of the directors contained in Article 3.4 as to the allotment and disposal of the Company's equity securities shall in any event be subject to the provisions of the Investment Agreement and any other agreement relating to such allotment or disposal binding on the Company from time to time and any directions contained in any resolution creating such equity securities.
- 3.6 Except with the prior written consent of all the Shareholders, no equity securities shall be allotted on terms that the right to take up the equity securities allotted may be renounced in favour of or assigned to another person, and no person entitled to the allotment of an equity security may direct that such equity security be allotted to any other person.

3 7 The offer referred to in Article 3 1 shall not be required to be made in respect of the issue of any shares in the capital of the Company if the shares are to be paid up otherwise than in cash (applying the interpretation of 'paid up in cash' set out in section 583 of the 2006 Act)

3 8 Sections 561(1) and sections 562(1) to (5) inclusive of the 2006 Act shall not apply to the Company

#### 4. PRE-EMPTION RIGHTS ON TRANSFERS OF SHARES

4 1 A Shareholder shall not create or permit to exist any charge, lien or encumbrance over any of his shares in the Company nor may he sell, transfer or dispose of any of his shares or any interest in them (or agree to do so whether subject to any condition precedent, condition subsequent or otherwise) except

- (a) as required or permitted by Articles 5 to 8 (inclusive); or
- (b) for a transfer of such shares in accordance with the following provisions of this Article 4

If a Shareholder shall commit any breach of Articles 4 to 8 (inclusive) then the shares registered in his name shall carry no rights whatever (whether as to voting, dividend or otherwise) unless and until the breach is rectified or such shares are transferred pursuant to and in accordance with Articles 4 to 8 (inclusive).

4 2 A Shareholder proposing to transfer some or all of the shares registered in his name (a "**Proposing Transferor**") shall, unless the transaction falls within one of the exceptions described in Article 4 1(a), give notice in writing (a "**Transfer Notice**") to the Company that he wishes to transfer such shares (the "**Transfer Shares**") Such notice shall constitute the Company (acting by the directors) his agent for the sale of the Transfer Shares at the Offer Price in accordance with this Article A Transfer Notice shall state whether the Proposing Transferor wishes to impose a "**Total Transfer Condition**" (meaning a condition that unless all of the Transfer Shares are sold to a Purchasing Shareholder or Purchasing Shareholders and/or a Nominated Person or Nominated Persons (each as defined below) pursuant to the following provisions of this Article, none of the Transfer Shares shall be so sold) but in the absence of such a statement the Transfer Notice shall be deemed not to contain a Total Transfer Condition A Transfer Notice shall be irrevocable

4 3 Within seven days after the receipt, or deemed receipt, of any Transfer Notice, the directors shall serve a copy of that Transfer Notice on all the Shareholders other than the Proposing Transferor In the case of a Transfer Notice deemed to be given under Article 5, or deemed to be given under any [Shareholders' Agreement] that is

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binding on the Proposing Transferor, the Company shall similarly serve notice on all the Shareholders (including the Proposing Transferor) notifying them that the Transfer Notice has been deemed to have been given. For the purposes of this Article 4, a Proposing Transferor includes a Shareholder who is deemed to have given a Transfer Notice

#### ***Calculation of price***

- 4 4 In these Articles, the expression "**Offer Price**" shall mean such sum per Transfer Share as may be agreed (within 14 days after the service on Shareholders of copies of the Transfer Notice pursuant to Article 4 3) between the Proposing Transferor and the other Shareholders as representing the fair market value of the Transfer Shares or, failing any such agreement (for whatever reason), such sum per Transfer Share as may be determined and certified by the Experts to be the fair market value of the Transfer Shares as at the date of the Transfer Notice or deemed Transfer Notice. This shall be determined on the basis of there being a willing buyer and a willing seller and having regard to the fair value of the business of the Company as a going concern and valuing the Transfer Shares in question as a rateable proportion of the total value of all the issued shares of the Company which value shall not be enhanced or discounted by reason of the fact that the Transfer Shares do or do not carry any degree of control over the Company. The Experts shall act at the expense of the Company and as experts and not as arbitrators in so determining and certifying and their decision shall (in the absence of manifest error) be final

#### ***Offer to the Shareholders or the Company***

- 4 5 Within seven days after the date of such agreement or determination of the Offer Price, the Company shall offer the Transfer Shares to the Shareholders (other than the Proposing Transferor) in proportion (as nearly as may be) to the nominal value of shares held by them respectively. Every such offer shall be made in writing specifying the number of shares offered ("**Proportionate Entitlement**") and shall be accompanied by forms of application for use by the Shareholder in applying for his Proportionate Entitlement and for any Transfer Shares in excess of any such entitlement which he is prepared to purchase. Every such offer shall be open for acceptance in whole or in part within 21 days from the date of its despatch
- 4 6 At the expiry of such period of 21 days, the directors shall allocate the Transfer Shares in the following manner
- (a) to each Shareholder who has agreed to purchase Transfer Shares ("**Purchasing Shareholder**") there shall be allocated his Proportionate Entitlement or such lesser number of Transfer Shares for which he may have applied,



- (b) to the extent that any Shareholder has applied for less than his Proportionate Entitlement, the excess shall be allocated (as nearly as may be) pro-rata to the nominal amount of the existing holdings of shares of the Shareholders who have applied for any part of such excess provided that any apportionment made under this Article 4 6(b) shall be made so as not to result in any such Shareholder being allocated more Transfer Shares than he has applied for (any remaining excess being apportioned by applying this Article 4 6(b) without taking account of such Shareholder)

4 7 If all the Transfer Shares are not accepted by a Purchasing Shareholder or Purchasing Shareholders, the holders of not less than 75 per cent in nominal value of the issued shares of the Company (excluding the shares held by the Proposing Transferor and by any other Shareholder who has also served a Transfer Notice which is then in its Active Period) may, within 30 days after the expiry of the 21 day period referred to in Article 4 5, nominate any person or persons who is willing to act (which may include the Company itself) (the **"Nominated Person"**) to purchase some or all of the Transfer Shares which have not been allocated to a Purchasing Shareholder, but no such person shall be entitled to be nominated unless

- (a) he shall be bound to purchase the Transfer Shares in respect of which he is so nominated no later than if he had been a Purchasing Shareholder and at the Offer Price, or
- (b) in the case of the Company being nominated, the following conditions shall have been satisfied
  - (i) a special resolution shall have been passed pursuant to section 694 of the 2006 Act or a Shareholders' written resolution shall have been signed pursuant to section 288 of the 2006 Act, in either case approving the terms of a proposed share purchase agreement for the purchase by the Company of the Transfer Shares in respect of which it is so nominated from the Proposing Transferor,
  - (ii) under the terms of the proposed share purchase agreement the Company would be bound to purchase the Transfer Shares in respect of which it is so nominated no later than if it had been a Purchasing Shareholder and at the Offer Price,
  - (iii) the proposed share purchase agreement when executed would impose no obligations on the Proposing Transferor other than to sell the relevant Transfer Shares to the Company and to the effect that they will be so sold with full title guarantee and free from any encumbrances and third party rights and with all rights attaching to them at the time the agreement is executed;

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- (iv) the proposed share purchase agreement complies, and its terms are consistent, with the requirements of sections 684 to 723 of the 2006 Act, and
- (v) the directors shall have resolved that the share purchase agreement be executed by the Company,

subject to, and immediately following, the satisfaction of all the conditions set out in Article 4 7(b), the Company and the Proposing Transferor shall execute the proposed share purchase agreement ("**Buy Back Agreement**")

4 8 Within 28 days of the expiry of the 21 day period under Article 4 5 or, if all the Transfer Shares are not accepted by a Purchasing Shareholder or Purchasing Shareholders, the expiry of the 30 day period under Article 4 7, the directors shall notify the Proposing Transferor and all Purchasing Shareholders of the details of the applications which have been made, of the allocations made as between Purchasing Shareholders under Article 4 6 and of the Nominated Persons under Article 4 7 and those Transfer Shares which each such person is bound to purchase

4 9 Any sale of shares effected pursuant to this Article 4 to a Purchasing Shareholder or a Nominated Person shall be at the Offer Price

#### ***Completion of Sale***

4 10 Subject as provided below in this Article 4 10 and in Article 4 12, the Proposing Transferor shall be bound, upon payment of the Offer Price, to transfer those Transfer Shares which have been allocated to a Purchasing Shareholder pursuant to Article 4 6 or to a Nominated Person pursuant to Article 4 7, to such Purchasing Shareholder or Nominated Person and to deliver the relative share certificates (or an appropriate indemnity in respect of any lost certificates), and such payment shall be deemed to be made validly if it is made to the Company to be held in trust for the Proposing Transferor against delivery of such transfers and share certificates (or indemnity). In the case of Transfer Shares the subject of a Buy Back Agreement, completion of the sale and purchase of such Transfer Shares shall take place in accordance with the terms of the Buy Back Agreement

4 11 Subject to Article 4 12 and to Article 8, if all the Transfer Shares are not accepted by a Purchasing Shareholder or a Nominated Person, the Proposing Transferor may, within 60 days after the date on which he received notification under Article 4 8, transfer all (but not some) of the Transfer Shares which have not been so accepted to one or more persons, other than any Shareholders, on a bona fide sale at a price per Transfer Share not less than the Offer Price (after deduction, where appropriate, of any dividend or other distribution to be retained by the Proposing Transferor)

- 4 12 Subject to Article 8, if all the Transfer Shares are not accepted by a Purchasing Shareholder or Nominated Person, the Proposing Transferor may, if the Transfer Notice contained a Total Transfer Condition, within 30 days after the date on which he received notification under Article 4 8, transfer all (but not some) of the Transfer Shares (despite the fact that some of the Transfer Shares have been accepted by a Purchasing Shareholder or Nominated Person) to one or more persons other than any Shareholders on a bona fide sale at a price per Transfer Share not less than the Offer Price (after deduction, where appropriate, of any dividend or other distribution to be retained by the Proposing Transferor)
- 4 13 If the Proposing Transferor, having become bound to transfer the Transfer Shares pursuant to Article 4 10, fails to transfer such Transfer Shares, the Purchasing Shareholder pursuant to Article 4 6 or those persons who are entitled to make a nomination pursuant to Article 4 7 may authorise and instruct such person as they think fit (who may be a director) to execute (as a deed or otherwise) the necessary instrument of transfer of such Transfer Shares and may deliver it on his behalf and the Company shall receive the purchase money and shall upon receipt of such money (subject to such instrument being stamped with any required stamp duty) cause the transferee to be registered as the holder of such Transfer Shares and shall hold such purchase money in trust for the Proposing Transferor The Company shall not be bound to earn or pay interest on any money so held and shall not pay such money to the Proposing Transferor until he shall have delivered his share certificates (or an appropriate indemnity in respect of any lost certificates) to the Company The receipt of the Company for such purchase money shall be a good discharge to the transferee who shall not be bound to see to the application of such money, and after the name of the transferee has been entered in the register of members in purported exercise of the above-mentioned power the validity of the proceedings shall be unchallengeable
- 4 14 If the Proposing Transferor, having become bound to execute a Buy Back Agreement, fails to do so, the directors may authorise one of their number (who is (as security for the performance of the Proposing Transferor's obligations) irrevocably and unconditionally authorised on behalf of the Proposing Transferor for the purpose) to execute (whether as a deed or otherwise) the Buy Back Agreement, and receive the purchase money due in respect of it, on the Proposing Transferor's behalf The receipt of such director for such purchase money shall be a good discharge to the Company and the Company shall be entitled to treat the Buy Back Agreement as completed against such receipt Such director shall hold such purchase money in trust for the Proposing Transferor but shall not be bound to earn or pay interest on any money so held and shall not pay such money to the Proposing Transferor until the Proposing Transferor shall have delivered to the Company his share certificates (or an appropriate indemnity in respect of any lost certificates) relating to the Transfer Shares the subject of the Buy Back Agreement

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4 15 A transfer of Transfer Shares made pursuant to this Article 4 to a Purchasing Shareholder or a Nominated Person shall be on terms that the Proposing Transferor shall transfer the whole of the legal and beneficial title to such shares free from all charges, liens and encumbrances and other third party rights and together with all rights, title and interest in such shares in existence at the date of transfer and which may arise afterwards

4 16 The provisions of this Article 4 may be waived, disapplied, modified, suspended or relaxed in whole or in part in any particular case, if it is so resolved upon in writing by each Shareholder holding [AMOUNT] per cent or more in nominal value of all the issued shares of the Company from time to time

## 5. OBLIGATION TO OFFER SHARES FOR SALE IN CERTAIN EVENTS

5 1 A person entitled to a share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that share at such time as the directors (acting with consent of the Investor) may determine

5 2 If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets or suffers or takes any equivalent action in any jurisdiction outside England and Wales, that Shareholder shall be deemed to have given a Transfer Notice in respect of all shares held by it at such time as the directors (acting with the consent of the Investor) may determine

5 3 If an Employee Shareholder becomes a Departing Employee Shareholder, a Transfer Notice shall (unless the directors (with the consent of the Investor) otherwise direct in writing in respect of any particular Relevant Shares prior to or within [60] Business Days after the relevant Termination Date), be deemed to have been served on the relevant Termination Date in respect of all Relevant Shares (a "**Compulsory Employee Transfer**") Any Transfer Notice served in respect of any of such Relevant Shares before the date such Employee Shareholder becomes a Departing Employee Shareholder shall automatically lapse

5 4 Notwithstanding any other provisions of these Articles, the Offer Price in respect of a Compulsory Employee Transfer shall, where the Departing Employee Shareholder is

- (a) Early Leaver, be restricted to an Offer Price calculated as the balance sheet value for 80% of the Transfer Shares and a multiple of 3 times balance sheet value for 20% of the Transfer Share, and
- (b) a Good Leaver, be the aggregate fair value of such Transfer Shares (as calculated in accordance with Article 4 4)

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5 5 Forthwith upon a Transfer Notice being deemed to be served under this Article 5, the shares subject to the relevant deemed Transfer Notice (the "**Restricted Shares**") shall cease to confer on the holder of them any rights

- (a) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of shares,
- (b) to receive dividends or other distributions otherwise attaching to those shares,
- (c) to participate in any future issue of Shares [issued in respect of those Shares]

5 6 The directors may (with the consent of the Investor) reinstate the rights referred to in Article 5 5 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to this Article 5 on completion of such transfer.

## 6 **PERMITTED TRANSFERS**

6 1 Notwithstanding the provisions of any other Article, the transfers set out in this Article 6 shall be permitted without restriction and the provisions of Articles 4 and 8 shall have no application

### ***Permitted Transfers by all Shareholders***

6 2 Any Shareholder may at any time transfer all or any of his shares to any other person with the prior written consent of the Board and the Investor

6 3 Any shares may be transferred pursuant to Article 7

## 7. **DRAG ALONG RIGHT**

7 1 Despite any other provisions of these Articles, any Shareholder or Shareholders who, alone or together, holds or hold 75 per cent or more in nominal value of the issued shares of the Company (the "**Calling Shareholders**") shall have the right at any time to require all other holders of shares (the "**Recipient Shareholders**") by notice in writing to them (a "**Call Notice**") to sell all of the shares held by the Recipient Shareholders to any person (the "**Purchaser**") to whom the Calling Shareholders propose to sell all of their shares, provided that

- (a) the consideration for the sale of the shares of the Calling Shareholders and the Recipient Shareholders is cash or cleared funds,
- (b) the terms and conditions applying to the sale of the shares of the Calling Shareholders and the Recipient Shareholders are set out in reasonable detail in, or in one or more attachments to, the Call Notice,



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- (c) the terms and conditions applying to the sale of the shares held by each of the Recipient Shareholders shall be no less favourable to the Recipient Shareholders than the terms and conditions applying to the sale of the shares held by the Calling Shareholders are to the Calling Shareholders, but the Calling Shareholders shall be entitled in such event to deduct from the amount to be received by the Recipient Shareholders a pro rata share of the fees and expenses relating to the sale of the shares held by the Calling Shareholders and the Recipient Shareholders,
  - (d) the Purchaser is a bona fide arm's length purchaser who is not an associate (as that term is defined in section 435 of the Insolvency Act 1986) of any of the Calling Shareholders, and
  - (e) the Purchaser is required to acquire all the shares of the Recipient Shareholders and of the Calling Shareholders
- 7 2 Subject to compliance with Article 7 1, if a Call Notice is served, all the Shareholders shall be bound to proceed with the sale of all their shares on the terms and subject to the conditions notified in the Call Notice
- 7 3 No Shareholder shall complete any sale of shares to the Purchaser unless the Purchaser completes the purchase of all the shares required to be sold simultaneously
- 7 4 If any Recipient Shareholder fails to agree to sell or complete the sale of or make any required election in respect of any sale of any shares as he is bound to do in accordance with this Article, the directors shall be entitled to execute, and shall be entitled to authorise and instruct such person as they think fit (who may be a director) (the "**Authorised Person**") to execute all necessary agreements, deeds and other documents necessary to give effect to the sale on the terms and conditions notified in the Call Notice, to make any such election on his behalf (in such manner as the Authorised Person in his absolute discretion shall think fit) and to execute the necessary instrument of transfer of his shares and may deliver such transfer on his behalf The Company may receive the purchase consideration (and deduct any Recipient Shareholder's pro rata share of the sale costs incurred) and shall upon receipt of such consideration (subject to such instrument being stamped with any required stamp duty) cause the transferee to be registered as the holder of the shares being transferred and shall hold such purchase consideration on behalf of the defaulting Recipient Shareholder The Company shall not be bound to earn or pay interest on any purchase consideration so held and shall not deliver such purchase consideration to any defaulting Recipient Shareholder until he shall have delivered his share certificates (or an appropriate indemnity in respect of any lost certificates) to the Company. The receipt of the Company for such purchase consideration shall be a good discharge to the transferee who shall not be bound to see to the application of

such money, and after the name of the transferee has been entered in the register of Shareholders in purported exercise of such power the validity of the proceedings shall be unchallengeable

## **8. TAG ALONG RIGHT**

- 8 1 Except in the case of transfers pursuant to Article 5, and after going through the pre-emption procedure set out in Article 4, the provisions of this Article 8 shall apply if, in one transaction or a series of related transactions, one or more Shareholders (a "**Seller**") proposes to transfer any of the shares (a "**Proposed Transfer**") which would, if carried out, result in any person (the "**Buyer**"), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company
- 8 2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer ("**Offer**") to the other Shareholders to purchase all of the shares held by them for a consideration in cash per share that is at least equal to the highest price per share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the [6] months preceding the date of the Proposed Transfer (the "**Specified Price**")
- 8 3 The Offer shall be given by written notice (the "**Offer Notice**"), at least 10 Business Days (the "**Offer Period**") before the proposed sale date (the "**Sale Date**"). To the extent not described in any accompanying documents, the Offer Notice shall set out
- (a) the identity of the Buyer,
  - (b) the purchase price and other terms and conditions of payment,
  - (c) the Sale Date, and
  - (d) the number of Shares proposed to be purchased by the Buyer under the Proposed Transfer (the "**Offer Shares**")
- 8 4 If the Buyer fails to make the Offer to all holders of Shares in the Company in accordance with this Article 8, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of shares affected in accordance with the Proposed Transfer
- 8 5 If the Offer is accepted by any Shareholder (the "**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders
- 8 6 The Proposed Transfer is subject to the pre-emption provisions of Article 4, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions

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## 9. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

9 1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the 2006 Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the 2006 Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,
- (b) shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested,
- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested;
- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and
- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the 2006 Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the 2006 Act

## 10 DIRECTORS' CONFLICTS OF INTEREST

10 1 Subject to the terms of any [Shareholders Agreement], the directors may, in accordance with the requirements set out in this Article 10, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an "**Interested Director**") breaching his duty under section 175 of the 2006 Act to avoid conflicts of interest (a "**Conflict**").

10 2 Any authorisation under this Article 10 will be effective only if

- (a) to the extent permitted by the 2006 Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine,
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and
- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted

10 3 Any authorisation of a Conflict under this Article 10 may (whether at the time of giving the authorisation or subsequently)

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

10 4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict

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10 5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation

10 6 In authorising a Conflict, the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to

(a) disclose such information to the directors or to any director or other officer or employee of the Company, or

(b) use or apply any such information in performing his duties as a director,

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

10 7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

## **11. RECORDS OF DECISIONS TO BE KEPT**

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye

## **12. DIRECTORS**

Notwithstanding any limitation on number imposed by these Articles from time to time, whenever the Investor holds any shares (irrespective of class) in the capital of the Company, the Investor shall be entitled, by notice in writing, to nominate and appoint himself as a director of the Company and the following provisions shall have effect

12 1 any such appointment shall be made by notice in writing to the Company by the Investor,

12 2 upon any resolution pursuant to section 168 of the 2006 Act, the Investor, in relation to any resolution to remove a director appointed by the Investor, shall have the right

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to an aggregate number of votes which is one vote greater than the number of votes capable of being cast on such resolution by all other members of the Company,

12 3 the remuneration and expenses to be paid to any director appointed pursuant to this Article 12 shall be such sum as may be agreed between the director and the Company, and

12 4 upon request by the Investor, the Company shall procure that the director appointed pursuant to this Article 12 shall also be appointed as a director of other members of the Group (or any of them) and sit on any committees established by the directors of the Company or other members of the Group (or any of them)

### 13. TELEPHONE BOARD MEETINGS

All or any of the members of the board of directors or any committee of the board may participate in a meeting of the board or that committee by means of a conference telephone or any communications equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is

### 14. POLL VOTES

14 1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318(3) of the 2006 Act) present and entitled to vote at the meeting

14 2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that Article

### 15. PROXIES<sup>1</sup>

15 1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"

15 2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless

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<sup>1</sup> To allow use of proxies more effectively

the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that Article

## **16. MEANS OF COMMUNICATION TO BE USED**

16 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient

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

16 2 For the purposes of this Article 16, no account shall be taken of any part of a day that is not a Business Day

16 3 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the 2006 Act

## **17. INDEMNITY**

17 1 Subject to Article 17 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

- (a) each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer
  - (i) in the actual or purported execution and/or discharge of his duties, or in relation to them, and

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- (ii) in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act),

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

- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 17(1)(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

17.2 This Article 17 does not authorise any indemnity which would be prohibited or rendered void by any provision of the 2006 Act or by any other provision of law

17.3 In this Article 17

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the 2006 Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)

## **18. INSURANCE**

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

18.2 In this Article

- (a) a "relevant officer" has the meaning given in Article 17.3(b),
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers



in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company, and

- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.