

Company Number: 11132108

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS


of

**BLACK MOUNTAIN DEVELOPMENTS LTD
(the "Company")**

The following resolutions were passed as special resolutions on 10 January 2018.

SPECIAL RESOLUTIONS

1. **THAT** with effect from the passing of this resolution the Articles of Association contained in the document attached to this resolution and signed for the purposes of identification be and are approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company.
3. **THAT**, subject to the passing of resolution 2 and in accordance with section 570 of the 2006 Act and Article 9.3 of the Company's Articles of Association, the Directors be generally empowered to allot equity securities (as defined in section 560 of the 2006 Act) pursuant to the authority conferred by resolution 1, as if section 561(1) of the 2006 Act and Article 9.3 of the Company's Articles of Association did not apply to any such allotment, provided that this power shall:
 - a. be limited to the allotment of equity securities up to an aggregate nominal amount of £1,000,000; and
 - b. expire on the date falling five years from the date of the passing of this resolution (unless renewed, varied or revoked by the Company prior to or on that date) save that the Company may, before such expiry 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 in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.


.....
Director/Secretary



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12/01/2018

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COMPANIES HOUSE

Registered No. 11132108

**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION
OF
BLACK MOUNTAIN DEVELOPMENTS LTD**

(As adopted by special resolution passed on 10 January 2018)

PART 1: INTERPRETATION

1 Interpretation

1.1 In these Articles, unless the context otherwise requires:

'Auditors' means the auditors for the time being of the Company, or if none then any Accountants for the time being instructed by the Company and these Articles shall be read and construed accordingly;

'Company' means Black Mountain Developments Ltd (company registration number 11132108);

'Departing Employee Shareholder' means an Employee Shareholder who ceases to be an employee of the Company and/or the SOE Group for any reason (including by reason of death);

'Effective Date' means the date on which an Employee Shareholder agreed to subscribe for E Ordinary Shares as stated in the Employee Shareholder's agreement with the Company;

'E Ordinary Shareholder' means a holder for the time being of E Ordinary Shares;

'E Ordinary Shares' means the E ordinary shares in the capital of the Company having the rights and subject to the restrictions set out in these Articles;

'Employee Shareholder' means an E Ordinary Shareholder who is an employee of either the Company or another member of the SOE Group;

'Family Trust' means in relation to a member, a trust under which there is no beneficial interest vested in any party other than a member and/or a Privileged Relation(s);

'SOE' means Shire Oak Energy Limited (A company registered in England and Wales with registration number 08100687);

'SOE Director' means any director appointed to the board by SOE;

'SOE Group' means SOE and any undertaking which is a holding company or subsidiary of SOE and any subsidiary of any such holding company. The expressions "holding company" and "subsidiary" shall have the meanings respectively ascribed thereto by Section 1159 of the Companies Act 2006;

'Privileged Relation' means, in relation to a member, his or her son, daughter or spouse, and in relation to a corporate member, any of its shareholders and/or ultimate beneficial owners.

1.2 The Articles constituting Schedule 1 to the Companies (Model Articles) Regulations 2008 (Schedule 1) shall apply to the Company except in so far as they are excluded or varied by these Articles.

1.3 Any expression defined in Article 1 of Schedule 1 shall bear the same meaning in these Articles unless the context requires otherwise.

PART 2: DIRECTORS

2 Directors' decisions and conflicts of interest

2.1 In Article 14 of Schedule 1, in paragraph (1) there shall be substituted for the words following 'in which a director is interested' the words 'that director is to be counted as participating in the decision-making process for quorum or voting purposes provided that the director discloses the interest in accordance with either Section 177 or Section 182 of the Act (as the case may be)'.

2.2 Unless and until the Company, by ordinary resolution, resolves otherwise:

2.2.1 any director may be counted as participating in a directors' meeting, or part of a directors' meeting, for the purposes of determining whether a quorum is present, and shall be entitled to vote at that meeting or part of a meeting, despite the fact that the director has an interest which does, or may, give rise to a conflict with the interests of the Company, provided that the director has declared the nature and extent of the interest; and

2.2.2 any director of the Company may act as a director of any other company which is within the same group as the Company;

provided that no such resolution or other decision of the Company to revoke or amend the provisions of this Article 2.2 shall have retrospective effect.

- 2.3 Subject to Article 2.4, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.
- 2.4 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.
- 2.5 The directors shall have the power to authorise, on such terms (including as regards duration and revocation and whether or not with retrospective effect), and subject to such, if any, limits or conditions, as they may determine, any matter proposed to them in accordance with these articles which would or might, if not so authorised, constitute or give rise to a situation (a "relevant situation") in which a director conflicts, or possibly may conflict, with the interests of the company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the company could take advantage of it). Any authorisation of a relevant situation pursuant to this Article 2 shall extend to any actual or possible conflict of interest which may reasonably be expected to arise out of the relevant situation so authorised.
- 2.6 For the purposes of this Article 2, a conflict of interest includes a conflict of interest and duty and a conflict of duties.
- 2.7 An interested director may not form part of the quorum of a meeting of the directors to authorise his relevant situation, nor may he vote at that meeting on the authorisation.
- 2.8 An interested director shall be obliged to:
 - 2.8.1 disclose to the other directors the nature and extent of his interest in any relevant situation, such disclosure to be made as soon as reasonably practicable; and
 - 2.8.2 act in accordance with any terms, limits or conditions determined by the directors under Article 2.5.
- 2.9 Any authorisation of a relevant situation given by the directors under Article 2.5 may provide that:
 - 2.9.1 where the interested director obtains (other 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 it to the company or to use it in relation to the company's affairs in circumstances where to do so would amount to a breach of that confidence;
 - 2.9.2 the interested director has a direct or indirect interest in a matter which conflicts, or may conflict, with the interests of the company, he may absent himself from the discussion of such matter at any meeting of the directors and be excused from reviewing papers prepared by or for the directors to the extent that they relate to that matter.
- 2.10 In Article 14 of Schedule 1, paragraphs (2) to (4) inclusive shall be omitted.

3 Appointment and retirement of directors

- 3.1 The maximum number of directors holding office at any time shall be eight, unless the Company by ordinary resolution decides otherwise. The minimum number of directors is one.
- 3.2 Notwithstanding Article 3.1, any member, so long as he holds 20% or more of the issued share capital of the Company shall be entitled to appoint and maintain in office one director and to remove any director so appointed and upon removal appoint a replacement.
- 3.3 Notwithstanding Article 3.1, SOE, so long as it shall hold any issued share capital of the Company shall be entitled to appoint and maintain in office two directors and to remove any director so appointed and upon

removal appoint a replacement. Any such appointee may be Mark Shorrock or such other person as SOE may nominate. SOE shall not be entitled to appoint a director both pursuant to Article 3.2 and 3.3 at the same time.

4 Appointment and removal of alternate directors

4.1 Any director (the 'appointor') may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

4.1.1 exercise that director's powers; and

4.1.2 *carry out that director's responsibilities;*

in relation to the taking of decisions by the directors in the absence of the alternate's appointor.

4.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.

4.3 The notice must:

4.3.1 identify the proposed alternate; and

4.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

5 Rights and responsibilities of alternate directors

5.1 An alternate director has the same rights, in relation to any directors' decision-making process (including any directors' meeting or part of a directors' meeting), as the alternate's appointor.

5.2 Except as the Articles specify otherwise, alternate directors:

5.2.1 are deemed for all purposes to be directors;

5.2.2 *are liable for their own acts and omissions;*

5.2.3 are subject to the same restrictions as their appointors; and

5.2.4 are not deemed to be agents of or for their appointors.

5.3 A person who is an alternate director but not a director:

5.3.1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating); and

5.3.2 may sign a written resolution (but only if it is not signed or to be signed by that person's appointor).

No alternate may be counted as more than one director for such purposes.

5.4 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

6 Termination of alternate directorship

6.1 An alternate director's appointment as an alternate terminates:

6.1.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;

6.1.2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;

6.1.3 on the death of the alternate's appointor; or

6.1.4 when the alternate's appointor's appointment as a director terminates.

7 Company Secretary

- 7.1 The directors may appoint a Company Secretary on such terms and for such period as they think fit and may remove any Company Secretary appointed by them.

PART 3: ISSUE OF SHARES AND SHARE CAPITAL

8 Share Capital

- 8.1 The capital of the Company shall consist of Ordinary shares and E Ordinary shares and the shares of each class shall rank pari passu having attached the same rights and restrictions except as otherwise provided in these Articles.

9 Issue of shares

- 9.1 The issue of shares in the capital of the Company shall be subject to the provisions of Article 30.2
- 9.2 In accordance with section 567(1) of the Companies Act 2006 (the 'Act'), sections 561 and 562 of the Act shall not apply to an allotment of shares (as defined in section 560(1) of the Act) made by the company.
- 9.3 Subject to Article 30.2 and unless otherwise agreed by special resolution, if the directors or the Company propose to allot any shares of any class in the capital of the Company those share shall not be allotted to any person unless they have first been offered to all shareholders holding shares of the same class on the date of the offer on the same terms, and at the same price, as those shares are being offered to other persons on a pari passu and pro rata basis to the number of shares held by those holders (as nearly as possible without involving fractions). The offer:
- 9.3.1 shall be in writing, shall be open for acceptance for a period of 21 days from the date of the offer and shall give details of the number and subscription price of the relevant shares; and
- 9.3.2 may stipulate that any shareholder who wishes to subscribe for a number of shares in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess shares (**Excess Shares**) for which he wishes to subscribe.
- 9.4 Any shares not accepted by shareholders pursuant to the offer made to them in accordance with Article 9.3 shall be used for satisfying any requests for Excess Shares made pursuant to Article 9.3. If there are insufficient Excess Shares to satisfy such requests, the Excess Shares shall be allotted to the applicants pro rata to the number of shares of the relevant class held by the applicants immediately before the offer was made to shareholders in accordance with Article 9.3 (as nearly as possible without involving fractions or increasing the number of Excess Shares allotted to any shareholder beyond that applied for by him). After that allotment, any Excess Shares remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the shareholders.
- 9.5 Subject to compliance with these Articles and the Act, shares shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to those persons, at those times and generally on the terms and conditions they think proper.

10 Company's lien over shares

- 10.1 This Article applies to any share (whether partly or fully paid) registered in the name (whether as sole or joint holder) of any person indebted or under liability to the company.
- 10.2 The Company has a lien (the **Company's lien**) over every share to which this Article applies for any sum which has not been paid to the Company, and which is payable immediately or at some time in the future (including but not limited to any part of that share's nominal value and any premium at which it was issued), whether or not a call notice has been sent in respect of it.
- 10.3 The Company's lien over a share takes priority over any third party's interest in that share, and extends to any dividend or other money payable by the Company in respect of that share and (if the lien is enforced and the share is sold by the Company) the proceeds of sale of that share.

- 10.4 The directors may at any time decide that a share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part.

11 Enforcement of the company's lien

- 11.1 Subject to the provisions of this Article, if:

11.1.1 a lien enforcement notice has been given in respect of a share, and

11.1.2 the person to whom the notice was given has failed to comply with it, the Company may sell that share in such manner as the directors decide.

- 11.2 A lien enforcement notice:

11.2.1 may only be given in respect of a share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;

11.2.2 must specify the share concerned;

11.2.3 must require payment of the sum payable within 14 days of the notice;

11.2.4 must be addressed either to the holder of the share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise; and

11.2.5 must state the Company's intention to sell the share if the notice is not complied with.

- 11.3 Where shares are sold under this Article:

11.3.1 the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and

11.3.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

- 11.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:

11.4.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice;

11.4.2 second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the Company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the Company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice.

- 11.5 A statutory declaration by a director or the Company secretary that the declarant is a director or the Company secretary and that a share has been sold to satisfy the Company's lien on a specified date:

11.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and

11.5.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share.

PART 4: CALLS AND FORFEITURE

12 Call notices

- 12.1 Subject to the Articles and the terms on which shares are allotted, the directors may send a notice (a 'call notice') to a member requiring the member to pay the Company a specified sum of money (a 'call') which is payable in respect of shares which that member holds at the date when the directors decide to send the call notice.

- 12.2 A call notice:
- 12.2.1 may not require a member to pay a call which exceeds the total sum unpaid on that member's shares (whether as to the share's nominal value or any amount payable to the Company by way of premium);
 - 12.2.2 must state when and how any call to which it relates it is to be paid; and
 - 12.2.3 may permit or require the call to be paid by instalments.
- 12.3 A member must comply with the requirements of a call notice, but no member is obliged to pay any call before 14 days have passed since the notice was sent.
- 12.4 Before the Company has received any call due under a call notice the directors may:
- 12.4.1 revoke it wholly or in part; or
 - 12.4.2 specify a later time for payment than is specified in the notice;
- by a further notice in writing to the member in respect of whose shares the call is made.
- 13 Liability to pay calls**
- 13.1 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid.
- 13.2 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.
- 13.3 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them:
- 13.3.1 to pay calls which are not the same; or
 - 13.3.2 to pay calls at different times.
- 14 When call notice need not be issued**
- 14.1 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the company in respect of that share (whether in respect of nominal value or premium):
- 14.1.1 on allotment;
 - 14.1.2 on the occurrence of a particular event; or
 - 14.1.3 on a date fixed by or in accordance with the terms of issue.
- 14.2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.
- 15 Failure to comply with call notice: automatic consequences**
- 15.1 If a person is liable to pay a call and fails to do so by the call payment date:
- 15.1.1 the directors may issue a notice of intended forfeiture to that person, and
 - 15.1.2 until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate.
- 15.2 For the purposes of this Article:
- 15.2.1 the 'call payment date' is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the 'call payment date' is that later date;
 - 15.2.2 the 'relevant rate' is:

- 15.2.2.1 the rate fixed by the terms on which the share in respect of which the call is due was allotted;
 - 15.2.2.2 such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors; or
 - 15.2.2.3 if no rate is fixed in either of these ways, 5% per annum.
- 15.3 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England.
- 15.4 The directors may waive any obligation to pay interest on a call wholly or in part.
- 16 Notice of intended forfeiture**
- A notice of intended forfeiture:
- 16.1 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;
 - 16.2 must be sent to the holder of that share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise;
 - 16.3 must require payment of the call and any accrued interest by a date which is not less than 14 days after the date of the notice;
 - 16.4 must state how the payment is to be made; and
 - 16.5 must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.
- 17 Directors' power to forfeit shares**
- If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.*
- 18 Effect of forfeiture**
- 18.1 Subject to the Articles, the forfeiture of a share extinguishes:
- 18.1.1 all interests in that share, and all claims and demands against the Company in respect of it, and
 - 18.1.2 all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the Company.
- 18.2 Any share which is forfeited in accordance with the Articles:
- 18.2.1 is deemed to have been forfeited when the directors decide that it is forfeited;
 - 18.2.2 is deemed to be the property of the Company; and
 - 18.2.3 may be sold, re-allotted or otherwise disposed of as the directors think fit.
- 18.3 If a person's shares have been forfeited:
- 18.3.1 the Company must send that person notice that forfeiture has occurred and record it in the register of members;
 - 18.3.2 that person ceases to be a member in respect of those shares;
 - 18.3.3 that person must surrender the certificate for the shares forfeited to the Company for cancellation;
 - 18.3.4 that person remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and

18.3.5 the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

18.4 At any time before the Company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit.

19 Procedure following forfeiture

19.1 If a forfeited share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.

19.2 A statutory declaration by a director or the Company secretary that the declarant is a director or the Company secretary and that a share has been forfeited on a specified date:

19.2.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and

19.2.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share.

19.3 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.

19.4 If the Company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which—

19.4.1 was, or would have become, payable; and

19.4.2 had not, when that share was forfeited, been paid by that person in respect of that share; but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.

20 Surrender of shares

20.1 A member may surrender any share—

20.1.1 in respect of which the directors may issue a notice of intended forfeiture;

20.1.2 which the directors may forfeit; or

20.1.3 which has been forfeited.

20.2 The directors may accept the surrender of any such share.

20.3 The effect of surrender on a share is the same as the effect of forfeiture on that share.

20.4 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

PART 5: DISTRIBUTIONS

21 Procedure for declaring dividends

21.1 In Article 30 of Schedule 1, after paragraph (7) there shall be added the following paragraph '(8) If any share is issued on terms providing that it ranks for dividend as from a particular date or to a particular extent, that share ranks for dividend accordingly'.

21.2 Article 36 (3) of Schedule 1 shall be read and construed as if the following wording was added at the end of the first sentence 'or may be applied in, or towards, paying up any sums unpaid on shares in the capital of the Company already held by the person entitled to the capitalised sum'.

22 General Meetings

22.1 A poll may be demanded by any one person having the right to vote and Article 44(2)(c) in Schedule 1 shall be read and construed accordingly.

PART 6: DECISION MAKING AND CONSENT MATTERS

23 Consent Matters

- 23.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy, of whom one shall be an authorised representative of SOE for so long as SOE shall be a holder of at least one share in the Company.
- 23.2 In addition to any other approval required by law or these Articles those matters set out in Article 30 shall require the written consent of those members referred to in the relevant section of the Article. Such written consent shall be in writing and may consist of one document or several documents.

PART 7: SHARE TRANSFERS

24. Transfer of Shares

- 24.1 No member shall sell, transfer, assign, pledge, charge or otherwise dispose of any share or any interest in any share other than as permitted by these Articles (or with the prior written consent of all the other members and as specified in Article 30). Where any provision of these Articles provides for the allocation of shares pro rata or by using percentages then, to avoid dealing in fractions of shares, the directors shall have discretion to round to the nearest whole figure.
- 24.2 The provisions of this Article 24.2 shall not apply to E Ordinary shares within the period of three years from the date of issue of such E Ordinary shares, which shall only be transferred in accordance with the provisions of Article 25 in this period. The provisions of Article 24.1 shall not apply to a transfer of Ordinary shares or E Ordinary shares (after three years from the date of issue of such E Ordinary shares) to related parties defined as:
- (i) the trustees of a Family Trust
 - (ii) immediate family members (a spouse, brother, sister, children or grandchildren);
 - (iii) the personal representatives or executors of a deceased shareholder,
- and the provisions of Articles 24.3 – 24.6 and Article 26 below shall not apply to any such transfer.

Pre-emption Rights

- 24.3 A member wishing to transfer Ordinary shares or E Ordinary shares (provided that the date of the transfer is after three years from the date of issue of such E Ordinary shares) (**Seller**) shall give notice in writing (**Transfer Notice**) to the other parties (**Ongoing Investors**) specifying the details of the proposed transfer, including the identity of the proposed buyer(s) and the price for the shares.
- 24.4 Within 10 Business Days of receiving the Transfer Notice, the Ongoing Investors shall give a notice to the Seller stating whether they (or any of them) wish to purchase any and if so how many of the shares the subject of the Transfer Notice.
- 24.5 In the event that Ongoing Investors request to purchase a total number of shares greater than the total stated in the Transfer Notice, then the amount of shares requested by all Ongoing Investors will be reduced by the same percentage, said percentage being the figure required to reduce the total shares requested by the Ongoing Investors to the total on the Transfer Notice.
- 24.6 If the Ongoing Investors fail to give notice under Article 24.4 the Seller shall be entitled to transfer his shares to the third party buyer identified in the Transfer Notice at a price not less than the price specified in the Transfer Notice for a period of 3 months.

25 Transfer Of E Ordinary Shares Within Three Years Of Issue

- 25.1 No E Ordinary Shares may be transferred within 3 years of their Effective Date except as set out in this Article 25.
- 25.2 If an Employee Shareholder becomes a Departing Employee Shareholder during the period of three years from the Effective Date, the E Ordinary shares registered in their name (the '**E Sale Shares**') shall be offered

to SOE, who shall have the right, but not the obligation, to acquire such shares at the par value of each E Sale Share.

- 25.3 The E Sale Shares shall be offered to SOE by written notice (the “**E Transfer Notice**”) which shall be served on it by the Departing Employee Shareholder within 21 days of the cessation of the Departing Employee Shareholder’s employment with the SOE Group, stating the number of E Sale Shares and their par value. In the event of failure by the Departing Employee Shareholder to serve an E Transfer Notice as required by this Article, such E Transfer Notice shall be deemed to have been served on the date upon which SOE becomes aware of the cessation of the Departing Employee Shareholder’s employment. SOE shall have 21 days from the date when the E Transfer Notice is served on it, or deemed to have been served on it, within which to respond in writing to the Company, stating how many, if any, of the E Sale Shares it wants to acquire.
- 25.4 If SOE shall notify the Company that it does not want to acquire all of the E Sale Shares then the Company shall within 10 days send written notice (the **Company’s Notice**) to Patrick James Carter stating the number of E Sale Shares and their par value. Patrick James Carter shall reply to the Company within fifteen days of receiving the Company’s Notice stating whether he wishes to purchase any and if so how many of the E Sale Shares.
- 25.5 If following completion of the procedure set out in Articles 25.2, 25.3 and 25.4, not all of the E Sale Shares have been purchased from the holder of those shares (or their personal representatives as the case may be) such other person as SOE may direct, shall have the right to purchase the remaining E Sale Shares at par value and the Company shall within 10 days send the Company’s Notice to the person directed by SOE stating the number of remaining E Sale Shares and their par value.
- 25.6 In the event that SOE does not direct a person to purchase the remaining E Sale Shares or such other person as SOE may direct fails to purchase the E Sale Shares from the holder of those shares (or their personal representatives as the case may be) the E Sale Shares must not in any circumstances be transferred to a third party.
- 25.7 The Company shall not register any transfer of E Ordinary Shares within 3 years from the Effective Date made in breach of this Article and the E Ordinary shares comprised in any transfer made in breach of this Article shall carry no rights whatsoever unless and until the breach is rectified.
- 25.8 References in these Articles to an E Transfer Notice or deemed E Transfer Notice, shall, except where the context otherwise requires, include a Company’s Notice.

26. DRAG ALONG AND TAG ALONG RIGHTS

Drag Along

- 26.1 If members holding more than 69% of the issued ordinary share capital of the Company (**Majority Investors**) receive an offer from a third party (**Purchaser**) (which the Majority Investors wish to accept) to purchase the Majority Investors’ shares and it shall be a condition of such offer that the Purchaser should acquire 100% of the issued ordinary share capital of the Company, the parties shall meet to agree terms for the sale of all of the shares to the Purchaser.
- 26.2 If the parties are not able to agree terms for a sale of all of the shares to the Purchaser within a period of 20 Business Days of the Majority Investors notifying the other members (**Other Investors**), the Majority Investors can require the Other Investors, but only with the prior written consent of SOE if SOE shall at such time hold any issued share capital of the Company, to sell their shares to the Purchaser together with the Majority Investors for the same consideration per share provided that the Other Investors shall not be required to provide warranties (or indemnities) to the Purchaser, other than warranties as to the Other Investors’ good title to their shares and their capacity to enter into and deliver an appropriate sale and purchase agreement and instrument of transfer in respect of their shares.
- 26.3 If any Other Investor shall fail to comply with its obligations under Article 26.2 then any Majority Investor shall be entitled to execute, and shall be entitled to authorise and instruct such person as he thinks fit to execute, the necessary forms of transfer and other documents on the Other Investor’s behalf and, against receipt by the Company (on trust for such Investor) of the consideration payable for the relevant shares, to

deliver such documents to the Purchaser (or his nominee) and to register such Purchaser (or his nominee) as the holder thereof and, after such registration, the validity of such proceedings shall not be questioned by any person. If the consideration offered to the Other Investors includes any share, debt instrument or other security in the capital of the Purchaser (or any other member of the Purchaser's group) as an alternative (whether in whole or in part) to the consideration payable in cash then the Majority Investors shall also be entitled to elect which alternative to accept on behalf of the relevant Other Investor(s) (and may elect for different alternatives for different Other Investors) and neither the Board, nor the Company, nor any Majority Investor shall have any liability to the Other Investors in relation to such election.

Tag Along

- 26.4 Where members (**Exiting Investors**) propose to offer (or receive an offer, which they are minded to accept, for) shares representing more than 69% of the issued ordinary share capital of the Company to or from a third party, the Exiting Investors shall procure that the shares of the remaining members (**Remaining Investors**) or the same proportion of their shares as shall be subject to the offer (in the Remaining Investors' option) are also offered for by that third party (without obligation on the Remaining Investors) and it will be a condition of any sale by the Exiting Investors in these circumstances that such sale should include an unconditional offer for the Remaining Investors to sell their shares (or the relevant percentage of their shares) to the third party upon the same terms as those accepted by the Exiting Investors.
- 26.5 Article 24.3 to 24.6 and Article 25 (Pre-emption Rights) shall not apply where Article 26.1 to 26.3 operate so as to transfer 100% of the issued ordinary share capital of the Company but Article 24.3 to 24.6 and Article 25 shall apply prior to any transfer proposed pursuant to Article 26.4.

27. EVENTS OF DEFAULT

- 27.1 Subject to the other provisions of these Articles concerning the transfer of shares a member is deemed to have served a Transfer Notice, or as the case may be E Transfer Notice under the provisions of these Articles immediately before any of the following events of default:
- 27.1.1 his death (except in the case of Ordinary shares, or in the case of E Ordinary shares if the date of death is after three years from the date of issue of such E Ordinary shares) where the provisions of the deceased Shareholder's will (or intestacy rules in the absence of a will) operate to transfer the shares in accordance with Article 24.2); or
 - 27.1.2 a bankruptcy order being made against him, or an arrangement or composition being made with his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors; or
 - 27.1.3 where the member is a company or other corporate body (Corporate Shareholder), if anything mentioned in this clause applies:
 - (i) the passing of a resolution for the liquidation of the Corporate Shareholder ; or
 - (ii) the granting of an order by the court for the winding up of the Corporate Shareholder; or
 - (iii) the appointment of an administrator to the Corporate Shareholder or for the granting of an administration order in respect of the Corporate Shareholder; or
 - (iv) the appointment of a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the Corporate Shareholder; or
 - (v) the Corporate Shareholder entering into a composition or arrangement with its creditors.
- 27.2 A deemed Transfer Notice has the same effect as a Transfer Notice, except that:
- 27.2.1 the deemed Transfer Notice takes effect on the basis that it does not have to identify a proposed buyer or state a price for the shares and the Company shall immediately instruct the Auditors to determine the Fair Value of each share in accordance with Article 29;
 - 27.2.2 the Seller does not have a right of withdrawal following a valuation;

27.2.3 if the Ongoing Investors do not accept the offer in the deemed Transfer Notice, the Seller does not have the right to sell the shares to a third party;

27.3 a deemed E Transfer Notice, or a Company's Notice, has the same effect as an E Transfer Notice except as far as necessary to give effect to the notice;

28. COMPLETION OF SHARE PURCHASE

28.1 Completion of the sale and purchase of any shares under these Articles shall take place 28 days after the day of delivery of the Transfer Notice, E Transfer Notice (or deemed Transfer Notice or deemed E Transfer Notice), unless the Auditors determine Fair Value in which case Completion shall be 14 days after the day of delivery of the Auditors' Fair Value notice.

28.2 At such completion:

28.2.1 the Seller shall deliver, or procure that there is delivered to the relevant Ongoing Investors, or as the case may be E Ongoing Investors, a duly completed share transfer form transferring the legal and beneficial ownership of the relevant shares to the relevant Ongoing Investors or E Ongoing Investors, together with the relevant share certificates and such other documents as the relevant Ongoing Investors or E Ongoing Investors may reasonably require to show good title to the shares, or to enable them to be registered as the holders of the shares;

28.2.2 the relevant Ongoing Investors or E Ongoing Investors shall deliver or procure that there is delivered to the Seller a bankers' draft made payable to the Seller or to his order for the purchase price; and

28.2.3 if following the sale the Seller holds no further shares in the Company, the Seller shall deliver, or procure that there are delivered to the Company, resignations from any directors appointed by the Seller (including the Seller, if relevant), such resolutions to take effect at completion of the sale of the shares.

28.3 The shares are sold by the Seller (unless they are a personal representative) with full title guarantee.

28.4 If any Ongoing Investor or E Ongoing Investor fails to pay the purchase price on the due date, without prejudice to any other remedy which the Seller may have, the outstanding balance of the purchase price shall accrue interest at a rate equal to 2% above the base rate of Barclays Bank plc from time to time.

28.5 The directors shall forthwith register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.

29. FAIR VALUE

29.1 The 'Fair Value' for any shares to be transferred under these Articles is that proportion of the amount the Auditors consider to be the fair value of the entire issued share capital of the Company that the Seller's shares bear to the entire issued share capital of the Company (with no discount for the size of the Seller's shareholding) at that time.

29.2 In determining the Fair Value of the entire issued share capital of the Company, the Auditors rely on the following assumptions:

29.2.1 the sale is between a willing seller and a willing buyer;

29.2.2 the shares are sold free of all restrictions, liens, charges and other encumbrances; and

29.2.3 the sale is taking place on the date the Transfer Notice was given or deemed given.

30. Consent

30.1 The Company shall not without the written consent of SOE for so long as SOE shall be the holder of at least one share in the Company:

(i) amend these Articles; or

- (ii) sell or otherwise dispose of the whole or a material part of the undertaking, property, and assets of the Company or contract to do so; or
 - (iii) resolve to wind up the Company voluntarily; or
 - (iv) create any mortgage, debenture, pledge, lien or other encumbrances over the undertaking or assets of the Company, or factor, assign, discount or otherwise dispose of any book debts or other debts of the Company, other than in the normal course of business.
- 30.2 The Company shall not without the written consent of SOE for so long as SOE shall be the holder of at least one share in the Company issue any shares of any kind.
- 30.3 The Company shall not without the written consent of SOE for so long as SOE shall be the holder of at least one share in the Company:
- (i) obtain debt finance to include decisions relating to the choice of finance provider, the amounts borrowed and the structure of the financing arrangements;
 - (ii) grant options, warrants or other convertible rights in respect of any un-issued shares.