

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

OF

MARK ROBERTSON DRILLING SERVICES LI
(Company No SC504100)
(the "Company")

SATURDAY



CIRCULATED ON: 2 JUNE 2017 (the "Circulation Date")

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that resolution 1 below is passed as a special resolution and resolutions 2, 3 and 4 below are passed as ordinary resolutions (together the "**Resolutions**")

SPECIAL RESOLUTION

1. "THAT the Articles of Association in the form attached hereto be and they are hereby adopted as the Articles of Association of the Company (the "**New Articles**") to the exclusion of all existing Articles of Association of the Company."

ORDINARY RESOLUTIONS


2. "THAT the existing 100 ordinary shares of £0.01 each in the capital of the Company held equally between the current shareholders Mark Robertson and Marie Robertson be and are hereby reclassified into 100 A Ordinary shares of £0.01 each, having the rights and being subject to the restrictions set out in the New Articles"
3. "THAT in accordance with Section 551 of the Companies Act 2006, the Directors be generally and unconditionally authorised to allot A Ordinary shares of £0.01 each in the Company up to an aggregate nominal amount of £7.00 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the fifth anniversary of the Circulation Date save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the Directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired."
4. "THAT in accordance with Section 551 of the Companies Act 2006, the Directors be generally and unconditionally authorised to allot B Ordinary shares of £0.01 each in the Company up to an aggregate nominal amount of £2.00 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the fifth anniversary of the Circulation Date save that the Company may, before

such expiry, make an offer or agreement which would or might require shares to be allotted and the Directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired."

AGREEMENT

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

The undersigned, being the persons entitled to vote on the above Resolutions on the Circulation Date, hereby irrevocably agree to the Resolutions:


.....
Signed by Mark Robertson

02.06.17
.....
Date


.....
Signed by Marie Robertson

02.06.17
.....
Date

NOTES

1. You can choose to agree to all of the resolutions or none of them but you cannot agree to only one of the resolutions. If you agree to all of 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 William Miller, Company Registrar, Stronachs LLP, 34 Albyn Place, Aberdeen, AB10 1FW.
 - **Post:** returning the signed copy by post to William Miller, Company Registrar, Stronachs LLP, 34 Albyn Place, Aberdeen, AB10 1FW.
 - **Fax:** faxing the signed copy to +44 (0)1224 845802 marked "For the attention of William Miller, Company Registrar".
 - **E-mail:** by attaching a scanned copy of the signed document to an e-mail and sending it to william.miller@stronachs.com. Please enter "Written resolutions dated [DATE]" in the e-mail subject box.

If you do not agree to all of 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 resolutions, you may not revoke your agreement.
3. Unless, by the date which is 28 days after the Circulation Date, sufficient agreement has been received for the resolutions to pass, they will lapse. If you agree to the resolutions, 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.

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

MARK ROBERTSON DRILLING SERVICES LIMITED

COMPANY NUMBER SC504100

Adopted by Special Resolution passed 2 June 2017

INTRODUCTION

1. INTERPRETATION

1.1 In these articles (**Articles**), the following words have the following meanings:

"Accepting Shareholders" has the meaning given in article 18.5.

"A Shares" means ordinary shares of £0.01 each in the capital of the company from time to time designated as A Shares and having the rights set out in these Articles.

"A Shareholder" means the holder of A Shares.

"Acting in Concert" has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended).

"Allocation Notice" has the meaning given to it in article 16.7.

"Applicant" has the meaning given to it in article 16.7.

"B Shares" means ordinary shares of £0.01 each in the capital of the company from time to time designated as B Shares and having the rights set out in these Articles.

"B Shareholder" means the holder of B Shares.

"Business Day" means a day other than a Saturday, Sunday or public holiday in Scotland when banks in Aberdeen are open for business.

"Buyer" has the meaning given in article 18.1.

"Called Shares" has the meaning given in article 19.1.

"Called Shareholders" has the meaning given in article 19.1.

"CA 2006" means the Companies Act 2006.

"Completion Date" has the meaning given in article 19.5.

"Conflict" has the meaning given to it in article 6.1.

"Controlling Interest" means an interest in shares giving to the holder or holders control of the company within the meaning of s1124 of the Corporation Tax Act 2010.

"Deemed Seller" means a B Shareholder that is deemed to have given a Deemed Transfer Notice.

"Deemed Transfer Notice" has the meaning given to it in article 16.1.

"Drag Along Notice" has the meaning given in article 19.1.

"Drag Along Option" has the meaning given in article 19.1.

"Encumbrance" means any mortgage, charge, security interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including retention of title claim), conflicting claim of ownership or any other encumbrance of an nature whatsoever (whether or not perfected other than liens arising by operation of law).

"Fair Value" means in relation to Shares, as determined in accordance with article 17.

"Interested Director" has the meaning given to it in article 6.1.

"Model Articles" means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) as amended prior to the date of adoption of these Articles and reference to a numbered Model Article is a reference to that article of the Model Articles;

"Offer" has the meaning given in article 18.2.

"Offerees" has the meaning given in article 16.4.

"Offer Notice" has the meaning given in article 18.3.

"Offer Period" has the meaning given in article 16.4.

"Offer Shares" has the meaning given in article 18.3(d).

"Proposed Buyer" has the meaning given in article 19.1.

"Proposed Transfer" has the meaning given in article 18.1.

"Sale Shares" has the meaning given in article 16.1.

"Sellers" has the meaning given in article 19.1.

"Selling Shareholder" has the meaning given in article 18.1.

"Shareholder" means a holder of A Shares or B Shares.

"Shareholder Consent" means the consent of the A Shareholders and B Shareholders.

"Specified Price" has the meaning given in article 18.2.

"Transfer Date" has the meaning given in article 18.3.

"Transfer Price" has the meaning given to it in article 16.3.

"Valuers" means an independent firm of accountants jointly appointed by the Deemed Seller and the Board or, in the absence of agreement between the Deemed Seller and the Board on the identity of the expert within 10 Business Days of the date of the Deemed Transfer Notice, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in Scotland (in each case acting as an expert and not as an arbitrator).

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

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the CA 2006 shall have those 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 or statutory provision is a reference to it as amended, extended or re-enacted from time-to-time.
- 1.6 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or provision.
- 1.7 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.8 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

2. ADOPTION OF THE MODEL ARTICLES

- 2.1 The Model Articles shall apply to the company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model Articles 8(3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 44(2), 49, 52 and 53 shall not apply to the company.
- 2.3 Article 7 of the Model Articles shall be amended by 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".
- 2.4 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur".
- 2.5 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.6 In article 26(5) of the Model Articles shall be amended by the insertion of the words "in their absolute discretion" before the words "may refuse".
- 2.7 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 2.8 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".

DIRECTORS

3. QUORUM FOR DIRECTORS' MEETINGS

- 3.1 Subject to article 3.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors.
- 3.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 6 to authorise a director's conflict, if there is only one eligible director in office other than

the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

- 3.3 The provisions of article 3.1 shall not apply for such time as the company has only one director and a sole director shall have the authority to exercise all of the powers by these Articles vested in the directors generally.

4. CASTING VOTE

- 4.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting has a casting vote.

- 4.2 Article 4.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chairman or other director is not an eligible director for the purposes of that meeting (or part of a meeting).

5. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

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

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
- (b) shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement 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 existing or proposed transaction or arrangement 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 Act)) derives from any such transaction or arrangement or

from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

6. DIRECTORS' CONFLICTS OF INTEREST

6.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

6.2 Any authorisation under this article 6 will be effective only if:

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

6.3 Any authorisation of a Conflict under this article 6 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 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.

6.4 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.

6.5 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.

6.6 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.

7. 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.

8. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors shall not be subject to any maximum.

9. SECRETARY

9.1 The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit

9.2 Any person appointed by the company as company secretary shall hold office as company secretary for a period of at least one year, unless otherwise agreed by the company and the company secretary.

DECISION MAKING BY SHAREHOLDERS

10. POLL VOTES

- 10.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 10.2 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.

11. PROXIES

- 11.1 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".
- 11.2 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 the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

DIVIDENDS AND OTHER DISTRIBUTIONS

12. DISTRIBUTION OF DIVIDENDS

- 12.1 The company and the directors shall not declare, pay or make any dividend or other distribution:
- (a) which is or would be prohibited by the CA 2006; and
 - (b) until all loans made to the company by a Shareholder have been repaid in full.

SHARES

13. SHARE CAPITAL

- 13.1 Except as otherwise provided in these Articles, the A Shares and the B Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.
- 13.2 On the transfer of any share as permitted by these Articles:

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

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

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

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

- (a) any alteration in the Articles;
- (b) any reduction, subdivision, consolidation, redenomination, or purchase or redemption by the company of its own shares or other alteration in the share capital of the company or any of the rights attaching to any share capital; and
- (c) any resolution to put the company into liquidation;
- (d) the allotment and issue of any new Shares in the capital of the company.

14. FURTHER ISSUES OF SHARES: PRE-EMPTION RIGHTS

14.1 In accordance with section 567(1) of the 2006 Act, sections 561 and 562 of the 2006 Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the company.

14.2 If the company proposes to allot any equity securities those equity securities shall not be allotted to any person unless the company has first offered them to all Shareholders on the date of the offer on the same terms, and at the same price, as those equity securities 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:

- (a) shall be in writing, shall be open for acceptance for a period of 15 business days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities; and
- (b) may stipulate that any Shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities (**Excess Securities**) for which he wishes to subscribe.

14.3 Any equity securities not accepted by Shareholders pursuant to the offer made to them in accordance with article 14.2 shall be used for satisfying any requests for Excess Securities made pursuant to article 14.2. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of shares held by the applicants immediately before the offer was made to Shareholders in accordance with article 14.2 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him). After that allotment, any Excess Securities 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.

14.4 Subject to articles 14.2 and 14.3 and to section 551 of the Act, any equity securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.

14.5 On the allotment of shares as permitted by these articles:

- (a) any shares allotted to an existing Shareholder shall be of the same class of shares already held by that shareholder; and
- (b) any shares allotted to a new shareholder shall be B Shares.

15. SHARE TRANSFERS

15.1 No B Shareholder shall create any Encumbrance over, transfer or otherwise dispose of or give any person any rights in or over any B Shares or any interest in any B Shares, except as required by these Articles or with Shareholder Consent.

15.2 The directors must 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.

16. **COMPULSORY TRANSFERS – B SHAREHOLDERS**

- 16.1 A B Shareholder is deemed to have served an irrevocable notice to the company (**Deemed Transfer Notice**) to transfer all of the Shares held by such B Shareholder (**Sale Shares**) immediately before any of the following events:
- (a) an order being made for the B Shareholder's bankruptcy, or an arrangement or composition being made with any of 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
 - (b) the happening in relation to the B Shareholder of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets; or
 - (c) the B Shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the company or his shareholding; or
 - (d) the death of the B Shareholder; or
 - (e) upon the B Shareholder ceasing to be an officer (which shall, for the avoidance of doubt, include the office of company secretary) or employee of the company.
- 16.2 The Deemed Transfer Notice shall:
- (a) be irrevocable;
 - (b) be treated as having specified that the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date of the relevant Deemed Transfer Notice is deemed to be given but before completion of the transfer of the Shares pursuant to the relevant Deemed Transfer Notice;
 - (c) not identify a proposed buyer or state a price for the Sale Shares.
- 16.3 The transfer price for each Sale Share which is the subject of a Deemed Transfer Notice shall be the Fair Value of the Sale Share determined by the Valuers in accordance with article 17 (**Transfer Price**).
- 16.4 As soon as practicable following the determination of the Transfer Price, the Board shall offer the Sale Shares for sale to the other Shareholders (excluding any Shareholder whose Shares are, at the date of the Deemed Transfer Notice, the subject of a Deemed Transfer Notice) (**Offerees**) inviting them to apply to the company in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (**Offer Period**) for the maximum number of Sale Shares they wish to buy. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

16.5 If:

- (a) at the end of the Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Offeree who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares (excluding those held either by the Deemed Seller or by any Shareholder whose Shares are, at the date of the Deemed Transfer Notice, the subject of a Deemed Transfer Notice). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements among the Offerees shall be determined by the Board). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;
- (b) not all Sale Shares are allocated following allocations in accordance with article 16.5(a), but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 16.5(a). The procedure set out in this article 16.5(b) shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied.

16.6 Deemed Transfer Notice constitutes the company the agent of the Deemed Seller for the sale of the Sale Shares in accordance with this article.

16.7 The Board shall, when no further offers or allocations are required to be made under article 16.5, give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and to each Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 5 Business Days, but not more than 15 Business Days, after the date of the Allocation Notice).

16.8 On the date specified for completion in the Allocation Notice the Deemed Seller shall, against payment from an Applicant, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice, together with the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Applicants may reasonably require to show good title to the Sale Shares, or to enable each of them to be registered as the holder of the Sale Shares.

16.9 If the Deemed Seller fails to comply with article 16.8:

- (a) any director of the company may as attorney on behalf of the Deemed Seller:

- (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (ii) receive the Transfer Price and give good discharge for it (and no Applicant shall be obliged to see the distribution of the Transfer Price);
 - (iii) subject to the transfers being duly stamped, enter the Applicants in the register of members of the company as the holders of the Sale Shares purchased by them;
 - (b) the company shall pay the Transfer Price into a separate bank account in the company's name on trust (but without interest) for the Deemed Seller until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares, to the company.
- 16.10 If the Allocation Notice(s) in respect of the Sale Shares comprised within a Deemed Transfer Notice does not relate to all the Sale Shares, the Seller shall retain the balance of the Sale Shares and shall not be required to transfer such Sale Shares.

17. VALUATION

- 17.1 As soon as practicable after deemed service of a Deemed Transfer Notice under article 17, the Shareholders shall appoint the Valuers to determine the Fair Value of the Sale Shares.
- 17.2 The Valuers shall be requested to determine the Fair Value within 10 Business Days of their appointment and to notify the Shareholders in writing of their determination.
- 17.3 The Fair Value for any Sale Share shall be the price per share determined by the Valuers on the following bases and assumptions:
- (a) valuing each of the Sale Shares as a proportion of the total value of all the issued Shares in the capital of the company without any premium or discount being attributable to the percentage of the issued share capital of the company which they represent or for the rights or restrictions applying to the Sale Shares;
 - (b) if the company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - (c) the sale is to be on arms' length terms between a willing seller and a willing buyer;

- (d) the Sale Shares are sold free of all encumbrances;
 - (e) the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
 - (f) to take account of any other factors that the Valuers reasonably believe should be taken into account.
- 17.4 The Shareholders are entitled to make submissions to the Valuers including oral submissions and will provide (or procure that the company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the Shareholders may reasonably require.
- 17.5 To the extent not provided for by this article 17, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation.
- 17.6 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the Shareholders in the absence of manifest error or fraud.
- 17.7 The costs of obtaining the Valuers' valuation shall be borne by the company and the Deemed Seller equally or in such other proportions as the Valuers determine.
- 18. TAG ALONG**
- 18.1 Except in the case of transfers pursuant to article 16, the provisions of article 18.2 to article 18.5 shall apply if, in one or a series of related transactions, one or more Shareholders (**Selling Shareholders**) propose to transfer any of the Shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the company.
- 18.2 Before making a Proposed Transfer, the Selling Shareholders 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 price per Share offered by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transactions in the 12 months preceding the date of the Proposed Transfer (**Specified Price**).
- 18.3 The Offer shall be made by written notice (**Offer Notice**), at least 15 Business Days before the proposed transfer date (**Transfer Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:

- (a) the identity of the Buyer;
- (b) the Specified Price and other terms and conditions of payment;
- (c) the Transfer Date; and
- (d) the number of Shares proposed to be purchased by the Buyer (**Offer Shares**).

18.4 If the Buyer fails to make the Offer in accordance with article 18.2 and article 18.3, the Selling Shareholders shall not be entitled to complete the Proposed Transfer and the company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.

18.5 If the Offer is accepted by any Shareholder (**Accepting Shareholder**) in writing within 15 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.

19. **DRAG ALONG**

19.1 If the holders of not less than 60% of the Shares in issue for the time being wish to transfer all (but not some only) of their Shares (**Sellers**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Sellers may require the other Shareholders (**Called Shareholders**) to sell and transfer all of their Shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (**Drag Along Option**).

19.2 The Sellers may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:

- (a) that the Called Shareholders are required to transfer all of their Called Shares pursuant to this article 19;
- (b) the person to whom the Called Shares are to be transferred;
- (c) the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per Share offered by the Proposed Buyer for the Sellers' Shares; and
- (d) the proposed date of the transfer.

19.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Sellers have not sold the Sellers' Shares to the Proposed Buyer within 30 Business Days of serving the Drag Along Notice. The Sellers may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

- 19.4 No Drag Along Notice shall require the Called Shareholders to agree to any terms except those specifically set out in this article 19.
- 19.5 Completion of the sale of the Called Shares shall take place on the date proposed for completion of the sale of the Sellers' Shares (**Completion Date**) unless the Sellers and the Called Shareholder agree otherwise in which case the Completion Date shall be the date agreed in writing by them.
- 19.6 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the company. On the Completion Date, the company shall pay the Called Shareholder, on behalf of the Proposed Buyer, the amounts due pursuant to article 19.2 to the extent that the Proposed Buyer has put the company in the requisite funds. The company's receipt for the price shall be a good discharge to the Proposed Buyer. The company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 19.7 To the extent that the Proposed Buyer has not, on the Completion Date, put the company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 19 in respect of its Shares.
- 19.8 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 19.6) transfer(s) in respect of all of the Called Shares held by him, the Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Sellers to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of Shares under this article.

ADMINISTRATIVE ARRANGEMENTS

20. MEANS OF COMMUNICATION TO BE USED

- 20.1 Subject to article 20.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

- (a) if delivered by hand, at the time the notice, document or other information is left at the address; or
- (b) if sent by fax, at the time of transmission; or
- (c) if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
- (d) if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or
- (e) if sent by reputable international overnight courier to an address outside the country from which it is sent, at the time the notice, document or other information is left at the address; or
- (f) if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
- (g) 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; and
- (h) if deemed receipt under the previous paragraphs of this article 20.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.

20.2 To prove service, it is sufficient to prove that:

- (a) if delivered by hand, or by reputable international overnight courier, the notice was delivered to the correct address; or
- (b) if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- (c) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- (d) if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

21. INDEMNITY

21.1 Subject to article 21.2, 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
- (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 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 21.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

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

21.3 In this article:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- (a) a "relevant officer" means any director or other officer or former director or other officer
- (b) 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 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).

22. INSURANCE

22.1 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.

22.2 In this article:

- (a) 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 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);

- (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.