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----- Signature of Director

----- Date of Signature

ARTICLES of ASSOCIATION

CELTIC RENEWABLES LIMITED

(Registered Number SC394571)

(ADOPTED _____ 2020)



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ARTICLES OF ASSOCIATION

of

CELTIC RENEWABLES LIMITED

(Registered Number SC394571)

A PRIVATE LIMITED COMPANY

(ADOPTED _____ 2020)

1. DEFINITIONS AND INTERPRETATION

1.1. In these Articles:

The words and expressions below shall have the following meanings unless the context requires otherwise:

"the Act" means the Companies Act 2006;

"Approved Issue" means (i) the issue of up to 481,000 Ordinary Shares of £0.0001 each to any employees, directors and/or consultants of the Company pursuant to any share option scheme and/or share option agreement(s) established or entered into by the Company and as granted by the Company's Remuneration Committee from time to time; (ii) the issue of any shares pursuant to the Supplemental Investment Agreement; (iii) the issue of any shares pursuant to the Crowdcube Subscription; (iv) the issue of shares pursuant to the SE Loan Conversion; and (v) the issue of shares pursuant to the Permitted Further Subscription;

"Approved Transfer" means the transfer of up to 100,000 ordinary shares of £0.0001 each from time to time by (i) the Celtic Renewables EBT to employees, directors and/or consultants of the Company or its subsidiaries from time to time, (ii) by such employees, directors and/or consultants of the Company or

its subsidiaries back to the Celtic Renewables EBT as a result of the operation of Article 35;

“Articles”

means these articles of association constituted by the following regulations together with any duly authorised amendments or alterations from time to time, and the term **“Article”** shall be a reference to a regulation contained in these Articles;

“Acting in Concert”

shall have the meaning given to it in the City Code on Takeovers and Mergers from time to time;

“Asset Sale”

means the disposal by the Company of all or substantially all of its undertaking and assets (where disposal may include, without limitation, the grant by the Company of an exclusive licence of all or substantially all of the intellectual property of the Company not entered into in the ordinary course of business);

“Auditors”

means the auditors of the Company from time to time; unless auditors are not required pursuant to the Act and have not been appointed, in which case such reference shall instead mean the accountants of the Company from time to time;

“Available Profits”

means profits available for distribution within the meaning of part 23 of the Act;

“Bamforth Trusts”

means the Mark R. Bamforth Family Trust and the Mark R. Bamforth Irrevocable Trust;

“Beneficial Owner”

means a person whose shares in the Company are held on trust by NomineeCo (or any of its transferees);

“Board”

means the board of Directors of the Company from time to time;

“Bonus Issue or Reorganisation”

means any return of capital, bonus issue of shares or other securities of the Company by way of capitalisation of profits or reserves (other than a capitalisation issue in substitution for or as an alternative to a cash dividend which is made available to the Preference Shareholders) or any consolidation or sub-division or redenomination or any repurchase or redemption of shares (other than Preference Shares) or any variation in the subscription price or conversion rate applicable to any other outstanding shares

	of the Company in each case other than shares issued as a an Approved Issue;
“Business Day”	means a day on which Scottish clearing banks are ordinarily open for the transaction of normal banking business in Edinburgh (other than a Saturday or Sunday);
“Celtic Renewables EBT”	means the Celtic Renewables Employee Benefit Trust (acting by its trustees), established by deed of trust 20 October 2011 and care of MBM Commercial LLP with their registered office at 5 th Floor, 125 Princes Street, Edinburgh, EH2 4AD;
“Circulation Date”	means the earliest date on which a proposed written resolution is communicated in hard copy or electronic form (including without limitation by electronic mail or by publication on a website) to every eligible member who is entitled to receive such proposed written resolution;
“Company”	means Celtic Renewables Limited, a private limited company incorporated under the Act, registered in Scotland under number SC394571 and having its registered office at 5 th Floor, 125 Princes Street, Edinburgh, EH2 4AD;
“Compulsory Transferor”	means a member (including any joint holder) required to transfer his shares in accordance with Article 35.1 and “Compulsory Transfer” shall be construed accordingly;
“Control Percentage”	means any percentage exceeding 50%;
“Controlling Interest”	means an interest in the Control Percentage or more of the total voting rights conferred by all the shares in the capital of the Company for the time being in issue and conferring the right to attend and vote at all general meetings;
“Crowdcube Subscription”	means up to 249,555 Ordinary Shares to be subscribed for by NomineeCo as nominee for the members of the crowdfunding platform operated by Crowdcube Capital Limited on or around the date of adoption of these Articles;
“Deemed Transfer Notice”	shall have the meaning given to it in Article 35.1;
“Director”	means a director of the Company or any alternate director duly appointed in accordance with these Articles;

"Dr Ward"	means Dr Douglas John Ward CBE, of Valhalla, 6 Halmyre Loan, Romanno Bridge, EH46 7DN;
"Effective Termination Date"	means the date on which a Founder or the Privileged Relation of a Founder who is a member ceases to be a Director and/or employee and/or consultant of the Company or of any Group Member of the Company where such member does not remain acting in any other of such capacities in relation to the Company or any such Group Member (as an employee, Director or consultant);
"Eligible Director"	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), as determined in particular in accordance with article 14 of the Model Articles;
"Equity Shares"	means the Preference Shares and the Ordinary Shares and each is an "Equity Share" ;
"Executives"	means Mr Simmers and Professor Tangney and each is an "Executive" ;
"Exempt Shares"	means all shares held by Dr Ward;
"Existing Investors"	means together Mr Houston, Dr Ward, Scottish Enterprise and the MacLeod Family Trust (and each an "Existing Investor");
"Existing Shareholders"	means together Mr Houston, NUVL (the nominee of the University), Scottish Enterprise, the Founders, the Macleod Family Trust and Celtic Renewables EBT (and each an "Existing Shareholder");
"Fair Value"	shall have the meaning given to it in Article 34.5;
"Family Trusts"	means trust(s) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than a Shareholder who is an individual and/or Privileged Relations of that individual;
"FCA"	means the United Kingdom's Financial Conduct Authority and any successor of it from time to time;
"Financial Year"	has the meaning set out in section 390 of the Act;

“Founders”	shall mean Professor Tangney; Dr Ward; and Mr Simmers (and each a “Founder”);
“Founder Bad Leaver”	means in the case of a Founder and his Privileged Relations, the cessation of (i) employment with the Company or any Group Member of the Company or (ii) holding the office of director or consultant of the Company or any Group Member of the Company, whose employment or appointment with the Company or any Group Member of the Company is terminated for reasons of behaviour which equates to gross misconduct, dishonesty or fraud;
“Founder Good Leaver”	means the Founders and their respective Privileged Relations except where the cessation of (i) employment with the Company or any Group Member of the Company or (ii) holding the office of director or consultant of the Company or any Group Member of the Company occurs in circumstances justifying summary dismissal of an employee (including without limitation gross misconduct, fraud or dishonesty);
“fully diluted”	means in relation to the share capital of the Company, the entire issued equity share capital of the Company as increased by any shares which may be issued pursuant to any options or rights to subscribe for or convert into equity shares in the Company which have been granted or entered into prior to the relevant date, to the extent that such options or rights have not lapsed;
“Group Member”	means any holding company, subsidiary company, wholly-owned subsidiary company or a parent company as defined in the Act;
“Investment Agreement”	means the subscription and shareholders’ agreement entered into among the Company, the New Investors, the Founders, the University, the Existing Shareholders and the Subsidiary (all as defined therein) dated 28 February 2020, as supplemented by the Supplemental Investment Agreement and as may be further amended, supplemented or varied from time to time;
“Investor Majority”	means the Investors holding 55% or more of the Equity Shares held by the Investors from time to time;

“Investor Majority Consent”	shall have the meaning given to it in the Investment Agreement;
“Investors”	shall have the meaning given to it in the Investment Agreement (which to avoid doubt does not include NomineeCo or any Beneficial Owners, who are not required to be signatories to the Investment Agreement);
“Investor Director Consent”	shall have the meaning given to it in the Investment Agreement;
“Investors’ Directors”	shall have the meaning given to it in Article 61 and to avoid doubt means those persons appointed under 61;
“Involuntary Transfer Event”	means the NomineeCo being required to transfer all of its shares or Beneficial Owners as a result of: (i) a change in the law or any legal regulation (including without limitation the FCA Handbook in respect of holding client assets), (ii) an instruction or requirement by the FCA, or (iii) a change in control, administration, liquidation or equivalent event in relation to NomineeCo or Crowdcube Limited (Co. Reg. No. 07014587);
“IPO”	means the admission of all or any of the shares or securities representing those shares (including without limitation depositary interests, American depositary receipts, American depositary shares and/or other instruments) on NASDAQ or the Official List of the United Kingdom Listing Authority or the AIM Market operated by the London Stock Exchange Plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);
“Issued Amount”	means £275.91 comprising 1,872,500 Ordinary Shares and 886,600 Preference Shares;
“Leaver’s Percentage”	means, in relation to and for the purposes of determining the number of shares that shall be subject to a Deemed Transfer Notice (pursuant to Article 34.2.2), as a result of a member who is a Founder or the Privileged Relation of a Founder ceasing to be a Director and/or employee and/or consultant of the Company or of any Group Member of the Company within the period commencing on 28 February 2020 and ending on the Effective Termination Date, the

percentage (rounded to the nearest two decimal places) as calculated using the formula below:

$$100 - ((1/48 \times 100) \times \text{NM}),$$

where NM = number of full calendar months from the date of adoption of these Articles to the Effective Termination Date such that the Leaver's Percentage shall be 50% on the first day of the 25th month after 28 February 2020 and thereafter, provided always that the Leaver's Percentage shall be 100% if the relevant Founder or Privileged Relation, as the case may be, leaves within 12 months of 28 February 2020;

"Mark R. Bamforth Family Trust"	means the Mark R. Bamforth Family Trust, of 99 Irving Street, Cambridge, MA 02138, USA;
"Mark R. Bamforth Irrevocable Trust"	means the Mark R. Bamforth Irrevocable Trust, of 99 Irving Street, Cambridge, MA 02138, USA;
"member"	means a person registered as a member in the register of members of the Company;
"Model Articles"	means the model Articles for private companies limited by shares contained in Schedule 1 of The Companies (Model Articles) Regulations 2008 (SI 2009/3229) as amended prior to the date of adoption of these Articles;
"MacLeod Family Trust"	means the MacLeod Family Trust, of 133 Glen Ridge Avenue, Los Gatos, CA 95030, established by the trust deed granted by Donald MacLeod and Mary L. MacLeod dated 31 January 2005 and acting by its trustees, Donald MacLeod and Mary L. MacLeod;
"Mr Houston"	means Mr Donald Francis Irwin Houston, residing at Mingary House, Kilchoan, Acharacle, PH36 4LN;
"Mr Simmers"	means Mr Mark William Simmers, of West Lodge, Gartocharn, Alexandria, G83 8RS;
"New Securities"	means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the date of adoption of these Articles (other than shares or securities issued as a result of the events set out in Article 11);

"NomineeCo"	means CrowdCube Nominees Limited (company number 09820478) or such replacement nominee to which it transfers its shares pursuant to Article 33.4.12;
"NUVL"	means Napier University Ventures Limited (SC103082);
"Option Holder"	means a holder of options, warrants or any other right to acquire new shares in the share capital of the Company;
"Ordinary Shares"	means the ordinary shares of £0.0001 each in the share capital of the Company;
"Other Bad Leaver"	means in relation to any person other than a Founder or his Privileged Relation, the cessation of (i) employment with the Company or any Group Member of the Company or (ii) holding the office of director or consultant of the Company or any Group Member of the Company, other than (1) for any of the reasons listed in subsections (a) to (f) of the definition of "Other Good Leaver" below;
"Other Good Leaver"	<p>means in relation to any person other than a Founder or his Privileged Relation, the cessation of (i) employment with the Company or any Group Member of the Company or (ii) holding the office of Director or consultant of the Company or any Group Member of the Company for one of the following reasons:</p> <ul style="list-style-type: none"> (a) by reason of the employee leaving employment for reasons of ill health or disability as certified to the Board's reasonable satisfaction by an independent doctor or where the death or long term illness or disability of a spouse, parent, long term partner or child of the employee makes it reasonably necessary for the employee to provide care by himself or herself to that spouse, parent, partner or child; (b) by reason of the dismissal of the employee by reason of redundancy; (c) by reason of the death of the employee, consultant or the Director (as the case may be); (d) by reason of the retirement of the employee, Director or consultant at the statutory retirement age (or such other date as is mutually agreed between the Company or any Group Member of the Company and the Director, consultant or employee (as the case may be)); and (e) where such cessation occurs after the fifth anniversary of the date of employment, consultancy and/or

- directorship (as the case may be) of the employee, consultant or Director, except where such cessation occurs in circumstances justifying summary dismissal of an employee (including, without limitation, gross misconduct, fraud or dishonesty); and
- (f) the Board and at least one of the Investors' Directors (if appointed) resolve (acting with the prior written consent of an Investor Majority) that an "Other Good Leaver" reason applies;

"Other Investors"		means all Investors other than Scottish Enterprise and the Bamforth Trusts, acting by at least 60% of the Equity Shares held by them from time to time;
"Permitted Subscription"	Further	means up to 402,299 Ordinary Shares being issued before 1 April 2021 at a price of at least £8.70 per share;
"Preference Amount"		means a price per Preference Share equal to the amount paid up or credited as paid up (including premium) for such Preference Share;
"Preference Majority"	Investor	means the Preference Investors holding over 50% of the Preference Shares held by the Preference Investors from time to time;
"Preference Investors"		means those investors having subscribed for Preference Shares in accordance with and as defined in the Investment Agreement;
"Preference Consent"	Majority	means the consent of the Preference Investor Majority;
"Preference Shareholders"		means the holders of Preference Shares;
"Preference Shares"		means the series preference shares of £0.0001 each in the capital of the Company from time to time;
"Privileged Relation"		means the spouse or widow, civil partner, surviving civil partner of the relevant person and the relevant person's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the relevant person's children (" family members "), any trust established for the benefit of the relevant person or his family members, or any charitable trust established by the relevant person and/or by his family members;

"Proceeds of Sale"	means the consideration payable (including any deferred consideration) whether in cash or otherwise to those Shareholders selling shares under a Share Sale less any fees, costs and expenses payable in respect of such Share Sale;
"Professor Tangney"	means Professor Martin Gerard Tangney OBE, of 11 Ogilvie Terrace, Edinburgh, EH11 1NS;
"Qualifying Company"	means a company in which a Shareholder or Trustee(s) hold the whole of the share capital or in which they have a Controlling Interest;
"Qualifying IPO"	means an IPO in which the net aggregate subscription amount in respect of new Ordinary Shares issued at the time of the IPO is not less than £22,649,634 at an issue price per Ordinary Share of at least £8.70 (subject to appropriate adjustment following any Bonus Issue or Reorganisation);
"Remuneration Committee"	means the remuneration committee of the Company, chaired by the Chairman of the Board and comprising all of the Investors' Directors from time to time and Professor Tangney;
"Scottish Enterprise"	means Scottish Enterprise, established by the Enterprise and New Towns (Scotland) Act 1990 and having its principal place of business at Atrium Court, 50 Waterloo Street, Glasgow, G2 6HQ;
"Scottish Enterprise Group"	means Scottish Enterprise, any subsidiary for the time being of Scottish Enterprise and any company, corporation or other body of persons which shall have acquired the whole or substantially the whole of the undertaking of Scottish Enterprise or any subsidiary of such company, corporation or body and any other body to which the statutory functions of Scottish Enterprise have been delegated, including the Scottish Ministers, or a Scottish Enterprise Successor and the expression "member of the Scottish Enterprise Group" shall be construed accordingly;
"Scottish Enterprise Successor"	means any party succeeding in whole or in part to the interest of Scottish Enterprise;
"SE Loan Conversion"	means 32,455 Ordinary Shares being issued to Scottish Enterprise pursuant to the convertible loan agreement entered into between the Company and Scottish Enterprise on or around 10 & 23 September 2020;

"SE Facility"	means the £11m loan facility by Scottish Enterprise to the Subsidiary pursuant to a facility agreement between them dated 28 February 2020;
"share"	means any share forming part of the share capital of the Company;
"Shareholder"	means any holder of any shares in the Company;
"Share Sale"	means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where following completion of the sale the shareholders and the proportion of shares held by each of them are the same as the shareholders and their shareholdings in the Company immediately prior to the sale;
"Starting Price"	means £8.70 (if applicable, adjusted as referred to in Article 31);
"Subsidiary"	means the Company's wholly owned subsidiary, Celtic Renewables Grangemouth plc (SC582830) having a registered office address situated at 5 th Floor, 125 Princes Street, Edinburgh EH2 4AD;
"Supplemental Investment Agreement"	means the supplemental investment agreement among the Company, the Subsidiary, the Executives, the Existing Shareholders and the New Investors (all as defined therein) entered into on or around the date of adoption of these Articles;
"Total Transfer Condition"	shall have the meaning given to it in Article 34.2;
"Trustees"	means the trustee(s) of a Family Trust;
"University"	means Edinburgh Napier University, a Scottish registered charity with registration number SC018373 and having its principal place of business at Sighthill Campus, Sighthill Court, Edinburgh, EH11 4BN;
"University Group"	means (i) the University, (ii) any University Successor, and (iii) each entity (howsoever constituted) controlled by the University or a University Successor from time to time

(including for the avoidance of doubt NUVL) (each individually a **"University Group Member"**);

"University Successor" means any entity (howsoever constituted) to which all or part of the University's activities or statutory functions have been transferred or devolved or succeeding in whole or in part to the interest of the University or to which all or a material part of the holding of University Group in spin-out companies or the University Group's unlisted investment portfolio is transferred; and

"Valuer" means the Auditors of the Company, unless they decline to act and in such an instance the valuer shall instead be appointed by the President for the time being of the Institute of Chartered Accountants of Scotland.

- 1.2 Words importing the singular include the plural and vice versa.
- 1.3 Words importing a particular gender include any gender.
- 1.4 References to a **"person"** include any natural person, or any legal person, body or organisation, incorporated or unincorporated.
- 1.5 The headings in these Articles are for convenience only and shall not affect the construction of these Articles.
- 1.6 Words and expressions defined in the Act shall bear the same meanings in these Articles.
- 1.7 Unless provision is made to the contrary, references to any statute or statutory provision includes a reference to:
 - 1.7.1 that statute or statutory provision as from time to time amended, extended, re-enacted or consolidated whether before or after the date of adoption of these Articles; and
 - 1.7.2 all statutory instruments or orders made pursuant to it.
 - 1.7.3 References to the phrase **"Privileged Relations"** shall save for the references in Article 1.1 and Article 33.4.3 respectively, be deemed to include the phrase **"and/or Group Member"**.

MODEL ARTICLES

- 2. The Model Articles shall apply to the Company except in so far as they are excluded or varied by or are inconsistent with these Articles.

3. Articles 11(2), 29, 30, 23, 24(2)(d), 24(5)(a), 48(2), 48(3), 49, 52 and 53 of the Model Articles shall not apply to the Company.
4. The following amendments shall be made to the articles of the Model Articles in so far as they apply to the Company:
 - 4.1. in article 9(1) of the Model Articles, by the insertion of the phrase “not less than five Business Days” in the first sentence between the words “giving” and “notice”;
 - 4.2. in article 20 of the Model Articles, by the insertion of the phrase “(including alternate directors) and the secretary” in the first sentence between the words “directors” and “properly incurred”;
 - 4.3. in article 22(1) of the Model Articles, by the amendment to the reference to “ordinary resolution” to read “special resolution”; and
 - 4.4. in article 31(1) of the Model Articles, by the deletion of all occurrences of the phrase “either in writing or as the directors may otherwise decide” and by the substitution, in its place, of the phrase “in writing”.

SHARE CAPITAL

5. The issued share capital of the Company immediately before the date of adoption of these Articles consists of the Issued Amount. Save in respect of any Approved Issue or save to the extent authorised by the Articles or authorised from time to time by an ordinary resolution of the members, the Directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the Company. Section 550 of the Act shall not apply to the Company.
6. Except as otherwise provided in these Articles, the Preference Shares and the Ordinary Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.
7. The Company may at its sole discretion recognise and record the holding of a share by a person on trust, or in the names of trustees, but unless specifically recognised by the Company as such a holding, the Company shall not be bound by, or obliged to recognise, any interest in any share except for the absolute rights of the holder named in the register of members.
8. Unless otherwise agreed by special resolution, any shares of the Company for the time being unissued and any new shares from time to time to be created and which the Directors propose to issue shall be offered to existing members in strict proportion to the number of shares held by them at that time (“**Proportionate Entitlement**”). The offer shall be made by notice to each member specifying the number of shares offered and stating a period (not being less than 21 days) within which the offer if not accepted by notice to the Company shall be deemed to be declined. Following the expiry of such period or receipt of notice of the acceptance or refusal of every offer made hereunder the Directors may dispose of any shares not accepted by the members in such manner as they think most beneficial to the Company provided that such shares shall not be disposed of on terms which are more favourable to the allottee than the terms on which they

were offered to the members hereunder. The provisions of this Article 8 shall not apply to any Approved Issue.

9. Pursuant to the Act, all statutory rights of pre-emption shall be excluded from applying to the Company. In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.
10. Notwithstanding the terms of Article 8, but declaring that this Article 10 shall not apply to any Approved Issue, where the requirement to offer New Securities in accordance with Article 8 has been disapplied by special resolution, Scottish Enterprise shall be given 10 Business Days' notice of the issue of any New Securities and shall be entitled to subscribe for such number of Shares as is equal to its Proportionate Entitlement provided that it has first given written notice of its intention to do so prior to the new shares being issued. The terms of this Article 10 shall permanently cease to apply and have effect if, upon being notified of an issue of New Securities, Scottish Enterprise does not elect to subscribe for such number of New Securities as is at least equal to its Proportionate Entitlement;
11. The provisions of Article 8 shall not apply to:
 - 11.1. New Securities issued or granted in order for the Company to comply with its obligations under these Articles, including, but not limited to, the Anti-Dilution Shares; and
 - 11.2. New Securities issued as a result of a Bonus Issue or Reorganisation which has been approved in writing by an Investor Majority.

DIVIDENDS

12.
 - 12.1. In respect of any Financial Year, the Company's Available Profits will be applied as set out in this Article 12.
 - 12.2. 25% of all Available Profits which the Company may determine, with Investor Majority Consent, to distribute in respect of any Financial Year will be distributed among the holders of the Equity Shares (pari passu as if the Equity Shares constituted one class of shares) on an annual basis pro rata to their respective holdings of Equity Shares.
 - 12.3. Subject to the Act and these Articles, the Board may, provided Investor Majority Consent is given, pay interim dividends if justified by the Available Profits in respect of the relevant period.
 - 12.4. Every dividend shall accrue on a daily basis assuming a 365 day year. All dividends are expressed net and shall be paid in cash.

12.5. If there are nil paid or partly paid share(s), any holder of such share(s) shall only be entitled, in case of any dividend, to be paid an amount equal to the amount of the dividend multiplied by the percentage of the amount that is paid up (if any) on such share(s) during any portion or portions of the period in respect of which a dividend is paid.

12.6. If a Share is subject to the Company's Lien the Directors may deduct from any dividend or other sum payable in respect of the Share any sum of money which is payable to the Company by the holder of that Share to the extent that they are entitled to require payment under these Articles. Money so deducted shall be used to pay any of the sums payable in respect of that Share and/or used to discharge any other indebtedness owing from the holder of that Share to the Company (as the Board may decide). The Company shall notify the distribution recipient in writing of:

12.6.1. the fact and sum of any such deduction;

12.6.2. any non-payment of a dividend or other sum payable in respect of a Share resulting from any such deduction; and

12.6.3. how the money deducted has been applied.

12.7. Notwithstanding any other provision of these Articles, no dividend shall be declared or payable by the Company before 28 February 2023 unless otherwise determined by an Investor Majority Consent and in accordance with the terms of the Investment Agreement.

VARIATION OF RIGHTS

13. Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with the consent in writing of the holders of more than 75 per cent. in nominal value of the issued shares of that class save that the special rights attaching to the Preference Shares may only be varied or abrogated with Preference Investor Majority Consent.

LIQUIDATION PREFERENCE

14. On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of shares) the surplus assets of the Company remaining after payment of its liabilities (including payment of all dividend arrears) shall be applied (to the extent that the Company is lawfully permitted to do so):

14.1. first in paying to each of the Preference Shareholders, in priority to any other classes of shares, an amount per share held equal to the Preference Amount (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Preference Amount, the remaining surplus assets shall be distributed to the Preference Shareholders pro rata to their respective holdings of Preference Shares); and

- 14.2. the balance of the surplus assets (if any) shall be distributed among the holders of Ordinary Shares pro rata to the number of Ordinary Shares held.

EXIT PROVISIONS

15. On a Share Sale the Proceeds of Sale shall be distributed in the order of priority set out in Article 14 and the Directors shall not register any transfer of shares if the Proceeds of Sale are not so distributed save in respect of any shares not sold in connection with that Share Sale provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale:
- 15.1. the Directors shall not be prohibited from registering the transfer of the relevant shares so long as the Proceeds of Sale that are settled have been distributed in the order of priority set out in Article 14; and
- 15.2. the Shareholders shall take any action required by an Investor Majority to ensure that the Proceeds of Sale in their entirety are distributed in the order of priority set out in Article 14.
16. In the event that the Proceeds of Sale are distributed on more than one occasion (for any deferred or contingent consideration or otherwise), the consideration so distributed on any further occasion shall be paid by continuing the distribution from the previous distribution of consideration in the order of priority set out in Article 14.
17. On an Asset Sale the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in Article 14 provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the Shareholders shall take any action required by an Investor Majority (including, but without prejudice to the generality of this Article 17, actions that may be necessary to put the Company into voluntary liquidation) so that Article 14 applies.

CONVERSION OF PREFERENCE SHARES

18. Any holder of Preference Shares shall be entitled, by notice in writing to the Company, to require conversion into Ordinary Shares of all or some of the fully paid Preference Shares held by them at any time and those Preference Shares to be converted in such notice shall convert automatically on the date of receipt by the Company of such notice (the "**Conversion Date**"), provided that the holder may in such notice, state that conversion of its Preference Shares into Ordinary Shares is conditional upon the occurrence of one or more events (the "**Conditions**").
19. Such of the fully paid Preference Shares as applicable shall automatically convert into Ordinary Shares on the date of receipt by the Company of a notice given by the holder of such Preference Shares to convert all or some of his Preference Shares into Ordinary Shares (which date of receipt by the Company of such notice shall be treated as the Conversion Date).

20. All of the fully paid Preference Shares shall automatically convert into Ordinary Shares immediately upon either (i) the occurrence of a Qualifying IPO (which date of a Qualifying IPO shall subject to Article 19 be treated as the Conversion Date), or (ii) the date of receipt by the Company of a notice given by a Preference Investor Majority to convert all of the Preference Shares into Ordinary Shares (which date of receipt by the Company of such notice shall be treated as the Conversion Date).
21. In the case of a share conversion pursuant to (i) Articles 18 and 19, not more than five Business Days after the Conversion Date or (ii) in the case of Article 20, at least five Business Days prior to the occurrence of the Qualifying IPO, each holder of the relevant Preference Shares shall deliver the certificate (or an indemnity for lost certificate in a form acceptable to the Board) in respect of the Preference Shares being converted to the Company at its registered office for the time being.
22. Where conversion is mandatory on the occurrence of a Qualifying IPO, that conversion will be effective only immediately prior to and conditional upon such Qualifying IPO (and "**Conversion Date**" shall be construed accordingly) and, if such Qualifying IPO does not become effective or does not take place, such conversion shall be deemed not to have occurred. In the event of a conversion under Article 18, if the Conditions have not been satisfied or waived by the relevant holder by the Conversion Date such conversion shall be deemed not to have occurred.
23. On the Conversion Date, the relevant Preference Shares shall without further authority than is contained in these Articles stand converted into Ordinary Shares on the basis of one Ordinary Share for each Preference Share held (the "**Conversion Ratio**"), and the Ordinary Shares resulting from that conversion shall in all other respects rank pari passu with the existing issued Ordinary Shares.
24. The Company shall on the Conversion Date enter the holder of the converted Preference Shares on the register of members of the Company as the holder of the appropriate number of Ordinary Shares and, subject to the relevant holder delivering its certificate(s) (or an indemnity for lost certificate in a form acceptable to the Board) in respect of the Preference Shares in accordance with this Article, the Company shall within 10 Business Days of the Conversion Date forward to such holder of Preference Shares by post to his address shown in the register of members, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares.
25. The Conversion Ratio shall from time to time be adjusted in accordance with the provisions of this Article:
- 25.1. if Preference Shares remain capable of being converted into new Ordinary Shares and there is a consolidation and/or sub-division of Ordinary Shares, the Conversion Ratio shall be adjusted by an amount, which in the opinion of the Board (with Investor Director Consent) is fair and reasonable, to maintain the right to convert so as to ensure that each Preference Shareholder is in no better or worse position as a result of such consolidation or sub-division, such adjustment to become effective immediately after such consolidation or sub-division; and

- 25.2. if Preference Shares remain capable of being converted into Ordinary Shares, on an allotment of fully-paid Ordinary Shares pursuant to a capitalisation of profits or reserves to holders of Ordinary Shares the Conversion Ratio shall be adjusted by an amount, which in the opinion of the Board (with Investor Director Consent) is fair and reasonable, to maintain the right to convert so as to ensure that each Preference Shareholder is in no better or worse position as a result of such capitalisation of profits or reserves, such adjustment to become effective as at the record date for such issue.
26. If any Preference Shareholder becomes entitled to fractions of an Ordinary Share as a result of conversion ("**Fractional Holders**"), the Directors may (in their absolute discretion) deal with these fractions as they think fit on behalf of the Fractional Holders. In particular, the Directors may aggregate and sell the fractions to a person for the best price reasonably obtainable and distribute the net proceeds of sale in due proportions among the Fractional Holders or may ignore fractions or accrue the benefit of such fractions to the Company rather than the Fractional Holder. For the purposes of completing any such sale of fractions, the chairman of the Company or, failing him, the secretary will be deemed to have been appointed the Fractional Holder's agent for the purpose of the sale.
27. If a doubt or dispute arises concerning an adjustment of the Conversion Ratio in accordance with Article 25, or if so requested by a Preference Investor Majority, the Board shall refer the matter to the Auditors for determination who shall make available to all Shareholders their report and whose certificate as to the amount of the adjustment is, in the absence of manifest error, conclusive and binding on all concerned and their costs shall be met by the Company.
28. If Preference Shares remain capable of being converted into new Ordinary Shares and Ordinary Shares are offered by the Company by way of rights to holders of Ordinary Shares (an "**Offer By Way of Rights**"), the Company shall on the making of each such offer, make a like offer to each Preference Shareholder as if immediately before the record date for the Offer By Way of Rights, his Preference Shares had been converted into fully-paid Ordinary Shares at the then applicable Conversion Ratio.

ANTI-DILUTION PROTECTION

29. If New Securities are issued by the Company at a price per New Security which equates to less than the Starting Price (a "**Qualifying Issue**") (which in the event that the New Security is not issued for cash shall be a price certified by the Auditors acting as experts and not as arbitrators as being in their opinion the current cash value of the new consideration for the allotment of the New Securities) then the Company shall issue to each holder of Preference Shares (the "**Exercising Investor**") the right to receive a number of new Preference Shares determined by applying the following formula (and rounding the product, N, down to the nearest whole share), subject to adjustment as certified in accordance with Article 31 (the "**Anti-Dilution Shares**"):

Broad-Based Weighted Average Ratchet

$$N = \left(\left(\frac{SIP}{WA} \right) \times Z \right) - Z$$

Where:

N = Number of Anti-Dilution Shares to be issued to the Exercising Investor

$$WA = \frac{(SIP \times ESC) + (QISP \times NS)}{(ESC + NS)}$$

SIP = Starting Price

ESC = the number of Equity Shares in issue plus the aggregate number of shares in respect of which options to subscribe have been granted, or which are subject to convertible securities (including but not limited to warrants) in each case immediately prior to the Qualifying Issue

QISP = the lowest per share price of the New Securities issued pursuant to the Qualifying Issue (which in the event that that New Security is not issued for cash shall be the sum certified by the Auditors acting as experts and not arbitrators as being in their opinion the current cash value of the non-cash consideration for the allotment of the New Security)

NS = the number of New Securities issued pursuant to the Qualifying Issue

Z = the number of Preference Shares held by the Exercising Investor prior to the Qualifying Issue.

A Qualifying Issue, notwithstanding the foregoing terms of this Article 29, shall not be triggered by the SE Loan Conversion.

30. The Anti-Dilution Shares shall:

30.1. be paid up by the automatic capitalisation of available reserves of the Company, unless and to the extent that the same shall be impossible or unlawful or a majority of the Exercising Investors shall agree otherwise, in which event the Exercising Investors shall be entitled to subscribe for the Anti-Dilution Shares in cash at par (being the par value approved in advance by the Investor Directors) and the entitlement of such Exercising Investors to Anti-Dilution Shares shall be increased by adjustment to the formula set out in Article 29 so that the Exercising Investors shall be in no worse position than if they had not so subscribed at par. In the event of any dispute between the Company and any Exercising Investor as to the effect of Article 29 or this Article 0, the matter shall be referred (at the cost of the Company) to the Auditors for certification of the number of Anti-Dilution Shares to be issued. The Auditor's certification of the matter shall in the absence of manifest error be final and binding on the Company and the Exercising Investor; and

30.2. subject to the payment of any cash payable pursuant to Article 30.1 (if applicable), be issued, credited fully paid up in cash and shall rank pari passu in all respects with the existing

Preference Shares, within five Business Days of the expiry of the offer being made by the Company to the Exercising Investor and pursuant to Article 30.1.

31. In the event of any Bonus Issue or Reorganisation, the Starting Price shall also be subject to adjustment on such basis as may be agreed by the Company with Investor Majority Consent within 10 Business Days after any Bonus Issue or Reorganisation. If the Company and the Investor Majority cannot agree such adjustment it shall be referred to the Auditors whose determination shall, in the absence of manifest error, be final and binding on the Company and each of the Shareholders. The costs of the Auditors shall be borne by the Company.

LIEN

32. The Company shall have a first and paramount lien (the “**Company’s Lien**”) on every share for all monies, whether presently payable or not, called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares registered in the name of any person, whether solely or jointly with others, for all moneys owing to the Company from that person, or that person's estate, either alone or jointly with any other person, whether as a member, or not, and whether such monies are presently payable or not. The Directors may at any time declare any share to be wholly or partly exempt from the provisions of this Article.

TRANSFER OF SHARES

33.

- 33.1. Save in respect of a transfer complying with one or more of the conditions specified in Article 33.4, no transfer of any share shall be registered unless it is first approved by the Directors.

- 33.2. Except a transfer complying with one or more of the conditions specified in Article 33.4, the Directors may, in their absolute discretion and without assigning any reason therefor, refuse to register any transfer of any share:

33.2.1. whether or not it is a fully paid share; and/or

33.2.2. upon which the Company has a lien.

- 33.3. Subject only to:

33.3.1. Articles 33.2, 36 and 38; and

33.3.2. the presentation of such evidence as the Directors may reasonably require to show the right of a transferor to make the transfer;

a transfer complying with one or more of the conditions specified in Article 33.4 shall be registered by the Directors.

- 33.4. The following are the conditions specified in Articles 33.1, 33.2 and 33.3:

- 33.4.1. a transfer of a share made with the prior written consent of the holders of 90% of the Equity Shares (which must include an Investor Majority) for the time being, other than the transferor;
- 33.4.2. a transfer of a share pursuant to Article 34;
- 33.4.3. a transfer of a share pursuant to Article 35;
- 33.4.4. a transfer of a share pursuant to Article 38;
- 33.4.5. a transfer or transmission of a share by a Founder to a Privileged Relation provided that in this instance any such transfer is conditional upon the transferor remaining the holder of at least one Ordinary Share thereafter (save in the case of death of the transferor), and a retransfer of any such share from such Privileged Relation to such transferor and transfers between the Privileged Relations of such original transferor;
- 33.4.6. a transfer or transmission of a share by any University Group Member to any other University Group Member without restriction as to price or otherwise, subject to the obligation on any such member transferee to retransfer any such share to the original transferor in the event that the member transferee ceases to be a University Group Member;
- 33.4.7. a transfer by the Mark R. Bamforth Irrevocable Trust and/or the Mark R. Bamforth Family Trust to any Privileged Relation of the trust's beneficiaries, any Trustee or Qualifying Company;
- 33.4.8. a transfer by the MacLeod Family Trust to any Privileged Relation of the trust's beneficiaries or any Trustee;
- 33.4.9. a transfer or transmission of a share by any Investor to a Privileged Relation and/or Group Member of that Investor without restriction as to price or otherwise, and a retransfer of any such share from such Privileged Relation and/or Group Member to such transferor and transfers between the Privileged Relations and/or Group Members of such original transferor;
- 33.4.10. a transfer or transmission of a share by or to the Celtic Renewables EBT as part of an Approved Transfer;
- 33.4.11. a transfer or transmission of a share by any member of the Scottish Enterprise Group to any other member of the Scottish Enterprise Group;
- 33.4.12. any transfer of a share by NomineeCo to another third party trust company either (i) whose identity has been approved in writing by the Board or (ii) as part of a transfer of all shares by NomineeCo to a single third party trust company that is approved by the FCA in the event of an Involuntary Transfer Event; and
- 33.4.13. in respect of any Beneficial Owner, such Beneficial Owner shall be entitled at any time to transfer his entire beneficial interest in a share held on trust for him by NomineeCo without restriction to any person, provided that the legal title in such shares continues to be held by NomineeCo and the

transferee is (or becomes prior to the completion of the transfer) a member of the crowdfunding platform operated by Crowdcube Capital Limited or such other crowdfunding platform either (i) whose identity has been approved in writing by the Board or (ii) as part of a transfer of all Beneficial Owners by NomineeCo to a single third party trust company that is approved by the FCA in the event of an Involuntary Transfer Event.

34.

- 34.1. Except in the case of a transfer expressly authorised by Article 33.4 or by any Approved Transfer, no person shall be entitled to dispose of any interest in any shares without first offering such shares for transfer to the holders of other shares in the Company. The offer shall be made by the proposing transferor(s) (the “**Transferor**”) by notice in writing to the Company (a “**Transfer Notice**”) and may be in respect of all or some only of the shares held by the Transferor (the “**Offer Shares**”); provided that a Deemed Transfer Notice must be in respect of all shares held by the Transferor and his Privileged Relations.
- 34.2. The Transfer Notice shall specify the Offer Shares and the price at which they are offered for sale (the “**Suggested Price**”) and shall constitute the Directors as the agents of the Transferor and his Privileged Relations (if appropriate) for the sale of the Offer Shares (a) to other holders of shares in the Company and, failing which, (b) to the Company, in accordance with this Article 34. A Transfer Notice, other than a Deemed Transfer Notice, may contain a provision that unless all the Offer Shares are sold under this Article, none shall be sold (a “**Total Transfer Condition**”). A Transfer Notice may not be revoked unless (i) it contains a Total Transfer Condition or (ii) all the members of the Company agree in writing that it may be revoked or (iii) it is permitted in terms of Article 34.6.
- 34.3. Within 7 days after a Transfer Notice (other than a Deemed Transfer Notice) is received by the Company, the Directors shall give notice to all the holders of shares in the Company (other than the Transferor and his Privileged Relations) of the number and description of the Offer Shares and the Suggested Price, inviting each such holder to notify the Company within 21 days (a) if he requires the Offer Shares to be valued (such notification being a “**Valuation Notice**”) and (b) if he does not so require whether he is willing to purchase any and, if so, what maximum number, of Offer Shares at the Suggested Price.
- 34.4. If on or before the expiry of the 21 day period referred to in Article 34.3 the Directors shall receive a Valuation Notice requesting a valuation then the Directors shall instruct the Valuer to determine the fair value of the Offer Shares in accordance with Article 34.5, acting as an expert and not as an arbiter, and to produce a certificate stating such value (a “**Certificate of Fair Value**”) within 14 days of being instructed to do so. If the Directors do not receive a Valuation Notice within the relevant period, then the Suggested Price of the Offer Shares shall be the “**Purchase Price**”, and Article 34.9 shall apply accordingly.

- 34.5. The fair value of the Offer Shares (the “**Fair Value**”) shall be calculated on the basis of the value of the whole Company on a going concern basis as between a willing seller and a willing buyer, with no reduction or other account being taken of the proportion which the Offer Shares bear to the total number of shares in issue, or shares of the same class as the Offer Shares in issue or any restrictions on the ability to transfer the Offer Shares. In the case of a Deemed Transfer Notice arising under Article 35.1.1(c), account shall be taken in assessing the Fair Value of the effect of the relevant person ceasing to be an employee, director or consultant. The Fair Value of each Offer Share shall be calculated by dividing the Fair Value of all the Offer Shares by the total number of the Offer Shares.
- 34.6. Within 7 days of receipt by the Directors of the Certificate of Fair Value, the Directors shall send a copy thereof to the Transferor; declaring that (i) the Transferor (provided the Transferor is not a Compulsory Transferor) shall be entitled to revoke the Transfer Notice by notice in writing to the Directors within 7 days from the date of service upon the Transferor of such copy; and (ii) where the Transferor is a Compulsory Transferor, the Compulsory Transferor shall be entitled within 7 days from the date of service upon the Compulsory Transferor of such copy to notify the Company that the Compulsory Transferor objects to the calculation of the Fair Value where it has been calculated by the Auditors acting as the “Valuer”, whereupon the Company shall immediately refer the matter to the President for the time being of the Institute of Chartered Accountants of Scotland with a request to nominate forthwith an independent valuer to calculate the Fair Value within 14 days of being instructed to do so (in accordance with Article 34.5) and the decision of such independently nominated valuer shall be final and binding on all parties concerned and the costs of the said valuer shall be borne by the Compulsory Transferor alone.
- 34.7. The cost of obtaining a Certificate of Fair Value shall be borne by the Company, unless (i) the Transferor revokes the Transfer Notice in accordance with Article 34.6 in which case the Transferor shall bear such cost or (ii) the Compulsory Transferor notifies the Company that the Compulsory Transferor objects to the calculation of the Fair Value in accordance with Article 34.6 in which case the Compulsory Transferor shall bear such cost.
- 34.8. If the Transfer Notice (other than a Deemed Transfer Notice) is not revoked by the Transferor in accordance with Article 34.6, the Directors shall give notice to all the holders of shares in the Company of the lower of (i) the Suggested Price and (ii) the Fair Value (the “**Purchase Price**”) and in each case the number and description of the Offer Shares, inviting each such holder (other than the Transferor and his Privileged Relations) to notify the Company within 14 days whether he is willing to purchase any and, if so, what maximum number of Offer Shares at the Purchase Price. In the event of a Deemed Transfer Notice, the Directors shall give notice as soon as reasonably practicable following any decision by an independently nominated valuer appointed in accordance with Article 34.6 (or where no such valuation was requested, as soon as reasonably practicable following receipt of the Certificate of Fair Value) to all the holders of shares in the Company (other than the Compulsory Transferor and his Privileged Relations) of the relevant Suggested Price as determined by Article 34.2

(hereafter referred to as the “**Purchase Price**”) and in each case the number and description of the Offer Shares, inviting each such holder (other than the Compulsory Transferor and his Privileged Relations) to notify the Company within 14 days whether he is willing to purchase any and, if so, what maximum number, of Offer Shares at the Purchase Price.

34.9. On the expiry of the 21 day period referred to in Article 34.3 or if a Certificate of Fair Value has been obtained the expiry of the 14 day period referred to in Article 34.8, the Directors shall allocate the Offer Shares to those members who have applied to purchase the Offer Shares, and in the event that the number of Offer Shares applied for exceeds the number of Offer Shares available such allocation shall be made in accordance with Article 34.10. If the Transfer Notice contains a Total Transfer Condition, no allocation of the Offer Shares shall be made under this Article 34.10 unless as a result of such allocation combined with the purchase of Offer Shares by the Company pursuant to Article 34.14.1 (if any), all the Offer Shares will be sold.

34.10. If the aggregate number of Offer Shares for which members have applied exceeds the number of Offer Shares available, priority shall be given to those members holding shares of the same class as the Offer Shares, and the allocation shall be made so far as practicable in proportion to the nominal amount of the share capital of that class held by each of those members but shall not in the case of any member exceed the number of Offer Shares for which he has applied. Thereafter, any Offer Shares remaining unallocated shall be allocated amongst the holders of other classes of shares so far as practicable in proportion to the nominal amount of share capital of the Company of those other classes of share held by each of those members but shall not in the case of any member exceed the number of Offer Shares for which he has applied.

34.11. On the allocation being made, the Directors shall give details of the allocation in writing to the Transferor and in relation to a Compulsory Transfer, the Privileged Relations of the Transferor and to each member who has stated his willingness to purchase. On the seventh day after such details are given, the members to whom the allocation has been made shall be bound to pay the Purchase Price for, and to accept a transfer of, the Offer Shares allocated to them respectively and the Transferor and in relation to a Compulsory Transfer, the Privileged Relations of the Transferor shall be bound, on payment of the Purchase Price, to transfer the Offer Shares to the respective purchasers.

34.12. If in any case a Transferor and, in relation to a Compulsory Transfer, the Privileged Relations of the Transferor after having become bound to transfer any shares to a purchaser, shall default in transferring the Offer Shares, the Directors may authorise any Director to execute on behalf of and as attorney for the Transferor and in relation to a Compulsory Transfer, the Privileged Relations of the Transferor any necessary transfers and may receive the Purchase Price and shall thereupon cause the name of the purchaser to be entered in the register as the holder of the Offer Shares and hold the Purchase Price in trust for the Transferor and in relation to a Compulsory Transfer, the Privileged Relations of the Transferor. The receipt of the Directors for the

Purchase Price shall be a good discharge to the purchaser and after the name of the purchaser has been entered in the register of members of the Company the validity of the transfer to the purchaser may not be questioned by the Transferor and in relation to a Compulsory Transfer, the Privileged Relations of the Transferor.

34.13. Where more than one member has stated his willingness to purchase Offer Shares and through no default of the Transferor and in relation to a Compulsory Transfer, the Privileged Relations of the Transferor such purchase is not duly completed, the Directors shall forthwith notify all the other members who have stated their willingness to purchase Offer Shares and if, within seven days of such notice being given, those other members shall not between them duly complete the purchase of the Offer Shares in respect of which there has been default in completion, the provisions of Article 34.14 shall apply.

34.14.

34.14.1. Following the expiry of (i) the 21 day period referred to in Article 34.3 or (ii) if a Certificate of Fair Value has been obtained, the 14 day period referred to in Article 34.8 (in either case the “**Relevant Expiry Date**”) if any of the Offer Shares have not been allocated under Article 34.9 or 34.10, the Directors may within 7 days of the Relevant Expiry Date determine that the Company shall, if it is permitted to do so under the Act, purchase some or all of the Offer Shares itself at the Purchase Price.

34.14.2. The Directors shall have a period of 60 days from the date of any such determination to (i) obtain from the Transferor and in relation to a Compulsory Transfer, the Privileged Relations of the Transferor any necessary consents and authorities including any required under the Act for any such purchase by the Company and (ii) to complete any such purchase.

34.14.3. In the event that a Transferor and in relation to a Compulsory Transfer, the Privileged Relations of the Transferor either (i) refuses to sign any document necessary to enable the purchase of some or all of the Offer Shares by the Company or (ii) fails to respond to the Directors within 14 days of any such request (in accordance with Article 34.14.2), the Directors may authorise any Director to execute on behalf of and as attorney for the Transferor and in relation to a Compulsory Transfer, the Privileged Relations of the Transferor any such document and may receive the Purchase Price and hold the Purchase Price in trust for the Transferor and, in relation to a Compulsory Transfer, the Privileged Relations of the Transferor; provided that if the Transfer Notice contains a Total Transfer Condition, the Directors may only so authorise any Director if all the Offer Shares will as a result be sold.

34.14.4. The receipt by the Directors of the Purchase Price shall be a good discharge to the Company and after the Offer Shares purchased by the Company have been cancelled, the Transferor and, in relation to a Compulsory Transfer, the Privileged Relations of the Transferor may not question the validity of the purchase.

- 34.15. If either (i) the Directors do not by the close of business on the last day of the 7 day period referred to in Article 34.14.1, make a determination that the Company shall, if it is permitted to do so under the Act, purchase some or all of the Offer Shares at the Purchase Price (the “**Determination**”); or (ii) the Company shall not where the Directors have made such Determination, complete a purchase of the Offer Shares by the close of business on the last day of the 60 day period referred to in Article 34.14.2 (the “**Buy-Back Expiry Date**”), then the Transferor and in relation to a Compulsory Transfer, the Privileged Relations of the Transferor may at any time within a period of 60 days from the occurrence of the relevant Buy-Back Expiry Date, transfer the Offer Shares not allocated to other members of the Company to any third party at the Suggested Price provided that if the Transfer Notice contains a Total Transfer Condition, the Transferor shall be only entitled to transfer all of the Offer Shares.
- 34.16. The holders of any shares which are the subject of a Deemed Transfer Notice or Compulsory Transfer shall be entitled to receive notice of and to attend general meetings of the Company but shall have no right to (i) vote thereat in respect of the Offer Shares which are the subject of a Deemed Transfer Notice or Compulsory Transfer until such time as those Offer Shares are transferred to another person in accordance with the provisions of this Article 34 or (ii) participate in any other offer-round of shares pursuant to a compulsory transfer of shares under Article 34 applying to any other shareholder.

EMPLOYEE ETC SHAREHOLDERS

35.

35.1. Where any of the following events occurs in relation to any member, the member in question and his Privileged Relations shall be deemed to have immediately given a Transfer Notice (a “**Deemed Transfer Notice**”) in respect of all the shares as then registered in the name of such member (jointly or otherwise) and all of the shares as then beneficially owned or controlled by that member (jointly or otherwise) and his Privileged Relations and the provisions of Article 34 regarding Deemed Transfer Notices shall apply:

35.1.1. In relation to a member being an individual:

- (a) such member is adjudicated bankrupt; or
- (b) such member is suffering from a mental disorder as referred to in Article 18(d) of the Model Articles; or
- (c) such member ceases to be a Director and/or employee and/or consultant of the Company or of any Group Member of the Company where such member does not remain acting in any other of such capacities in relation to the Company or any such Group Member (as an employee, Director or consultant);

35.1.2. In relation to a member being a body corporate:

- (a) a receiver, manager or administrative receiver is appointed in respect of such member or over all or any part of its undertaking or its assets; or
- (b) such member enters into liquidation (other than a voluntary liquidation for the purposes of a bona fide scheme of solvent amalgamation or reconstruction); or
- (c) such member ceases to be controlled (as defined by Section 1124 of the Corporation Tax Act 2010) by the person(s) who controlled such member on the date on which it became the member of the Company or the date of adoption of these Articles (whichever is later).

35.2. The Suggested Price applicable to the transfers under Article 35.1 shall be calculated as follows:

- 35.2.1. where the event giving rise to the Deemed Transfer Notice is the event referred to in Article 35.1.1(c) and such member is a Founder who is a Founder Bad Leaver, the Suggested Price shall be the lower of the subscription price paid by the Compulsory Transferor and/or Privileged Relation (as the case may be) for the shares (either to the Company or the Celtic Renewables EBT) and the nominal value of the shares;
- 35.2.2. where the event giving rise to the Deemed Transfer Notice is the event referred to in Article 35.1.1(c) and occurs within 24 months of 28 February 2020 and such member is either a Founder who is a Founder Good Leaver or the Privileged Relation of a Founder who is a Founder Good Leaver in circumstances where the Founder has left in circumstances justifying constructive dismissal or wrongful dismissal, the Deemed Transfer Notice shall be in respect of 50% of the shareholdings of the Founder and his Privileged Relations and the Suggested Price shall be the Fair Value;
- 35.2.3. where the event giving rise to the Deemed Transfer Notice is the event referred to in Article 35.1.1(c) and such member is either a Founder who is a Founder Good Leaver or the Privileged Relation of a Founder who is a Founder Good Leaver in circumstances other than in circumstances justifying constructive dismissal or wrongful dismissal, the Deemed Transfer Notice shall be in respect of the Leaver's Percentage of the shareholdings of the Founder and his Privileged Relations and the Suggested Price shall be the Fair Value. For the avoidance of doubt, in circumstances where the provisions of this Article 35.2.3 apply within 12 months of 28 February 2020, the Deemed Transfer Notice shall be in respect of all the shares as then registered in the name of such member who is a Founder or the Privileged Relation of a Founder; and
- 35.2.4. in all other circumstances, the Suggested Price shall be the Fair Value.

35.3. The Directors shall instruct the Valuer to determine the Fair Value in accordance with Articles 34.4 and 34.5, to produce a Certificate of Fair Value and Articles 34.6 to 34.14 and Article 34.16 shall then apply save that where the event giving rise to the Deemed Transfer Notice is the event referred to in Article 35.1.1(c), then the shares of the

Compulsory Transferor and the Privileged Relations of the Compulsory Transferor must always be offered first to the Celtic Renewables EBT before the other shareholders of the Company.

- 35.4. The price to be received for the sale of the shares by the Compulsory Transferor and the Privileged Relations of the Compulsory Transferor in accordance with the provisions of this Article 35 shall be allocated to the Compulsory Transferor and his Privileged Relations in proportion to the number of shares held by the Compulsory Transferor and his Privileged Relations.
- 35.5. Any obligation to transfer a share under the provisions of this Article 35 shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such share free from any lien, charge or other encumbrance.
- 35.6. Other than Article 35.7, the provisions of this Article 35 may be waived in whole or in part in any particular case with the prior written consent of (i) 65% of the members of the Company holding Equity Shares (which must include an Investor Majority) for the time being, other than the member in respect of whom the provisions of this Article 35 are being applied and (ii) the Board (which must include the consent of at least one of the Investors' Directors if one or more Investors' Directors are appointed).
- 35.7. The foregoing provisions of Article 35.1 to Article 35.5 (inclusive) shall not apply to: (i) the University or any University Group Member (or any transferee thereof under Articles 33.4.1 or 33.4.6); (ii) any Investor (other than Dr Ward) or their nominee or custodian, (iii) any transferee who receives shares from any Investor (other than Dr Ward) or their nominee or custodian under any of Articles 33.4.1 or 11.4.6; (iv) Dr Ward in respect of the Exempt Shares; (v) any transferee who receives any Exempt Shares from Dr Ward under Article 33.4.5; or (vi) Scottish Enterprise (or any transferee thereof under Articles 33.4.1 or 33.4.11).
- 35.8. Notwithstanding the foregoing provisions of this Article 35, to the extent that any shares are retained by a Founder Good Leaver or Other Good Leaver, the following provisions shall apply from the date on which such Founder Good Leaver or Other Good Leaver (as the case may be) is entitled to retain such shares:
- 35.8.1. in the event that the relevant member is found to be in breach of any restrictive covenant contained within his service or consultancy agreement (as the case may be), the shares retained shall immediately be subject to a Deemed Transfer Notice; and
- 35.8.2. the provisions of Article 35.2 shall apply to such shares with effect from the date of the aforementioned breach, and the relevant member shall be treated as a Founder Bad Leaver or Other Bad Leaver (as the case may be) for the purposes of that Article.
- 35.9. In the event that, as a result of the buyback, redemption, conversion, cancellation, forfeiture of any shares or the disenfranchisement of voting rights of any part of the share capital of the Company whether pursuant to these Articles or otherwise (or any other event having similar effect), Scottish Enterprise (and/or the Scottish Enterprise Group) would otherwise be entitled to exercise in aggregate more than 29.9% of the

votes at a general meeting of the Company or on a written resolution of the Company (a **“Trigger Event”**), the voting rights of Scottish Enterprise (and/or any member of the Scottish Enterprise Group) applicable to their total shareholding on any resolution proposed at a general meeting of the Company or by way of written resolution of the Company shall be deemed to be restricted to in aggregate such proportion as Scottish Enterprise and the Company may agree of the votes cast on any poll or written resolution as the case may be (the **“Agreed Proportion”**) and the votes cast by any other holder of voting shares (excluding for the avoidance of doubt any member of the Scottish Enterprise Group) shall be deemed to be proportionately increased such that the aggregate voting rights of all other holders of voting shares for the purpose of such vote shall be an amount equal to $x\%$ where $X = 100$ minus the Agreed Proportion.

- 35.10. The Company shall give notice to Scottish Enterprise immediately upon becoming aware of the occurrence or anticipated occurrence of any event which could reasonably be expected to constitute a Trigger Event.
- 35.11. The operation of Article 35.10 may be cancelled or suspended either prior to the occurrence of any Trigger Event or subsequent to such provisions taking effect by Scottish Enterprise (and/or the Scottish Enterprise Group) in its sole discretion providing written notice to the Company of its intention to cancel or suspend the operation of Article 35.10. Immediately upon receipt of such notice, the provisions of Article 35.10 shall be suspended or cancelled accordingly.
- 35.12. Upon receipt of any notice given by Scottish Enterprise (and/or the Scottish Enterprise Group) in terms of Article 35.11, the Company shall forthwith notify all shareholders who are entitled to vote on any resolution proposed by the Company of receipt of such notice.
- 35.13. Notwithstanding any other terms in the Articles, in the event that any shares held by NomineeCo are transferred or otherwise transmitted to a Beneficial Owner without the prior written consent of the Board then immediately from such time of transfer or transmission to the Beneficial Owner until such time as they are transferred to (a) another NomineeCo, (b) a Proposed Purchaser or (c) a third party whose identity has been approved in writing by the Board, the Beneficial Owner in relation to such shares shall have no right to:
 - 35.13.1. receive notice of and to attend general meetings of the Company;
 - 35.13.2. vote at general meetings of the Company or sign any written resolutions;
 - 35.13.3. participate in any other offer round of shares (by means of any issue of new shares or any transfer of existing shares) and shall be deemed to waive any rights of pre-emption accordingly; and
 - 35.13.4. voluntarily transfer any shares without the prior written consent of the Board.

LIMITATION ON CHANGE OF CONTROL – TAG ALONG RIGHTS

36.

- 36.1. Notwithstanding any other Article, no sale or transfer (other than a sale or transfer permitted by Article 33.4.5 to 33.4.11 (inclusive)) of the legal or beneficial interest in any shares in the Company (the **"Specified Shares"**) may be made or validly registered if as a result of a sale or transfer of the legal and or beneficial interest in any such shares in the Company, a Controlling Interest would be obtained in the Company by any person or group of persons Acting in Concert, unless the proposed transferee or transferees or his or their nominees has or have offered to purchase all the shares for the time being in issue at the Specified Price (as defined below) (the **"Tag Along Offer"**), such offer to be made by notice in writing to all Recipients (as defined below) and such offer stipulated to be open for acceptance for at least 21 days.
- 36.2. A Tag Along Offer shall expire 21 days (or such longer period of acceptance stipulated within the Tag Along Offer) after the date of the Tag Along Offer. Any Recipient who wishes to accept the Tag Along Offer must notify the proposed transferee(s) in writing of its acceptance of such offer. Any Recipient who fails to accept the Tag Along Offer within the period limited for acceptance shall be deemed to have rejected it. In the event that an Option Holder wishes to accept a Tag Along Offer, such person must also notify the Company in writing no less than seven days prior to expiry of the period of acceptance of the Tag Along Offer of its intention to exercise the relevant option or other right to acquire shares, and any failure to do so or any inability under the terms of the relevant option agreement to exercise such option or right to acquire shares within 30 days of notification shall be deemed a rejection of the Tag Along Offer.
- 36.3. The Specified Price in respect of a particular share shall take into account any differences in class rights between it and any other share including, without limitation, any Specified Share.
- 36.4. If any part of the Specified Price is to be paid except by cash then each Recipient may, at its option, elect to take a price per share of such cash sum as may be agreed by it and the proposed transferee having regard to the transaction as a whole.
- 36.5. In the event of a disagreement, the calculation of the Specified Price (including a determination of the Fair Value) shall be referred to an independent expert (acting as an expert and not as an arbiter and whose decision shall be final and binding) nominated by the President for the time being of the Institute of Chartered Accountants of Scotland and acting at the expense of the proposed transferee(s) or his or their nominees (as appropriate).
- 36.6. The provisions of this Article 36 shall continue to apply notwithstanding any change in the Controlling Interest.

37. For the purposes of Article 36:

- "Recipients"** means all members of the Company and all Option Holders; and
- "Specified Price"** means in relation to the shares, a price per share being not less than the Fair Value and at least equal to the value of the consideration (in cash or otherwise) offered or paid or payable by the proposed

transferee(s) or his or their nominees for the Specified Shares being acquired including without limitation (i) the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified Shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable per share and (ii) all arrears and accruals of the dividends on such shares calculated down to the date of the sale or transfer.

SALE BY QUALIFYING MAJORITY– DRAG ALONG RIGHTS

38.

- 38.1. Notwithstanding any other Article, if holders of 75% or more of the Equity Shares in the Company in issue from time to time (with Investor Majority Consent and excluding all Beneficial Owners either holding Shares as a result of any transfer to them from NomineeCo or who are otherwise subject to the provisions of Article 35.13), (the **"Selling Shareholders"**) wish to transfer all their interest in shares (the **"Sellers' Shares"**) to a proposed purchaser who has made an offer on arm's length (the **"Proposed Purchaser"**), the Selling Shareholders shall have the option (the **"Drag Along Option"**) to require all the other holders of shares (the **"Called Shareholders"**) to sell and transfer all their shares (the **"Called Shares"**) to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this Article 38.
- 38.2. The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a **"Drag Along Notice"**) to the Company (which the Company shall immediately send to the Called Shareholders) at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Called Shares under this Article 38, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article 38) and the proposed date of transfer.
- 38.3. Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Proposed Purchaser within 15 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 38.4. The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Purchaser for the Called Shares and the Sellers' Shares were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 14.
- 38.5. No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this Article 38.

- 38.6. Within five Business Days of the Company serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or an indemnity for a lost certificate in a form acceptable to the Directors) to the Company. On the expiration of that five Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to Article 38.4 to the extent that the Company has received these amounts in cleared funds from the Proposed Purchaser. The Company's receipt for the amounts due pursuant to Article 38.4 shall be a good discharge to the Proposed Purchaser. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 38.4 in trust for the Called Shareholders without any obligation to pay interest.
- 38.7. To the extent that the Proposed Purchaser has not, on the expiration of such five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 38.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or an indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 38 in respect of their Shares.
- 38.8. If a Called Shareholder fails to deliver stock transfer forms and share certificates (or an indemnity) for its Shares to the Company upon the expiration of that five Business Day period, any Director is authorised to transfer the Called Shareholder's Shares as agent on the Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)) to the extent the Proposed Purchaser has, at the expiration of that five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 38.4 for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or provide a suitable indemnity) to the Company. On surrender, he shall be entitled to the amount due to him pursuant to Article 38.4.
- 38.9. On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

WRITTEN RESOLUTIONS

39. Where a resolution is to be proposed as a written resolution and such written resolution is accepted by or on behalf of:

39.1. in the case of an ordinary resolution, over 50%; and

39.2. (ii) in the case of a special resolution, 75% or more,

of the members holding Equity Shares who would be entitled to receive notice of and to attend and vote at a general meeting at which such resolution was to be proposed shall, subject always to the provisions of the Act from time to time, be valid, effectual and binding on all of the members of the Company. Any such written resolution may consist of several documents in materially the same form, each accepted by or on behalf of the requisite number of members. Acceptance of a written resolution shall be in terms of the procedure set out in section 296 of the Act. In the case of a corporation which is a member of the Company, acceptance (following section 296 of the Act) by a director or its secretary or by a duly appointed and authorised attorney or representative shall be sufficient.

40. A proposed written resolution circulated to the members shall lapse if it is not passed by the requisite number of members before the expiration of 90 days from the Circulation Date stated on the proposed written resolution.

PROCEEDINGS AT GENERAL MEETINGS

41. The Preference Shares shall confer on each holder of Preference Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.

42. The Ordinary Shares shall confer on each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company, save that restrictions on voting may apply to Beneficial Owners pursuant to Article 35.13.

43. No business shall be transacted at any general meeting unless a quorum of Shareholders is present. Three shareholders present (which shall always include a representative of the Mark R. Bamforth Irrevocable Trust), by proxy or by duly authorised corporate representative (as applicable) shall be the quorum at any general meeting.

44. If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, and such meeting was convened on the requisition of members, then the chairman of the meeting must dissolve the meeting.

45. If the persons attending an adjourned general meeting within half an hour of the time at which the adjourned meeting was due to start do not constitute a quorum, then the members present shall be a quorum.

46. On a show of hands or on a poll, votes may be given either personally or by proxy, or if a corporation, by its duly authorised representative.

47. Shareholders may participate in a general meeting by means of telephone conference, audio/video transmission, or similar communications medium, by means of which all persons participating in the meeting can simultaneously communicate on a real-time basis with all other participants, and participation in a meeting pursuant to this article 47 shall constitute presence in person at such meeting.

NUMBER OF DIRECTORS

48. Unless otherwise determined by ordinary resolution of the Company, the number of Directors shall not be subject to any maximum and the minimum number of directors shall be two.
49. A Director shall not be required to hold any share in the Company in order to qualify for office as a Director. A Director, whether or not the Director holds any share in the Company, shall be entitled to attend and speak at any general meeting, or any meeting of any class, of the members of the Company.

ALTERNATE DIRECTORS

50. Any Director (the “**Appointor**”) may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to:
- 50.1. exercise that Director’s powers, and
 - 50.2. carry out that Director’s responsibilities,
- in relation to the taking of decisions by the Directors in the absence of the alternate’s Appointor.
51. 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.
52. Any notice relating to an alternate must:
- 52.1. identify the proposed alternate, and
 - 52.2. 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.
53. An alternate Director may act as alternate Director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate’s Appointor.
54. Except as the Articles specify otherwise, alternate Directors:
- 54.1. are deemed for all purposes to be Directors;
 - 54.2. are liable for their own acts and omissions;
 - 54.3. are subject to the same restrictions as their Appointors; and
 - 54.4. are not deemed to be agents of their Appointors,
- and, in particular (without limitation), each alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his Appointor is a member.
55. A person who is an alternate Director but not a Director:

- 55.1. may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's Appointor is not participating);
 - 55.2. may participate in a unanimous decision of the Directors (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate); and
 - 55.3. shall not be counted as more than one Director for the purposes of Articles 55.1 and 55.2.
56. A Director who is also an alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of his Appointor, in addition to his own vote on any decision of the Directors (provided that his Appointor is an Eligible Director in relation to that decision), but shall not count as more than one Director for the purposes of determining whether a quorum is present.
57. 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.
58. An alternate Director's appointment as an alternate terminates:
- 58.1. when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
 - 58.2. 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;
 - 58.3. on the death of the alternate's Appointor; or
 - 58.4. when the alternate's Appointor's appointment as a Director terminates.

APPOINTMENT AND RETIREMENT OF DIRECTORS

59. The Company may by ordinary resolution appoint a person who is willing to act as a Director, either to fill a vacancy or as an additional Director. The Directors may appoint any person who is willing to act as a Director, either to fill a casual vacancy or as an additional Director.
60. The Chairman of the Board shall be such non-executive director appointed with the approval of the Board and all Investors' Directors (save for the director who is acting as Chairman). The Chairman shall not have a second or casting vote.
61. In each instance (with the exception of Article 61.2) for as long as he/they (as applicable) hold shares in the Company, and in the case of Article 61.2, for so long as the SE Facility is outstanding:
- 61.1. Scottish Enterprise shall be entitled to appoint one person;
 - 61.2. Scottish Enterprise shall be entitled to appoint one person (such person in addition to that provided at Article 61.1);

61.3. for as long as either of the Bamforth Trusts hold shares in the Company, the Mark. R Bamforth Irrevocable Trust shall be entitled to appoint up to two persons; and

61.4. the Other Investors shall be entitled to appoint one person,

by notice in writing, as non-executive directors of the Company (together the “**Investors’ Directors**” and each an “**Investor Director**”) or remove from office any such Investors’ Directors appointed by each of them pursuant to these Articles and, acting separately, appoint any person in place of any Investors’ Directors so removed. As at the date of adoption of these Articles, the Investors’ Director shall be Mr Houston (as appointed pursuant to Article 61.4). The respective rights of the Investors (or any of them) to appoint an Investor Director in accordance with the foregoing shall only be capable of being exercised where such person(s) have not already exercised their analogous right to appoint an Investor Director pursuant to terms of the Investment Agreement.

62. Each Investors’ Director shall be entitled at his or her request to be appointed to any committees of the Board established from time to time and to the board of directors of any subsidiary of the Company.

PROCEEDINGS OF DIRECTORS

63. Any decision of the Directors must be taken at a meeting of Directors in accordance with these articles or must be a decision taken in accordance with these Articles. All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes.

64. The quorum for any meeting of the Board shall be three Directors, provided that: (i) for so long as any Investor Director is appointed, no Board meeting shall be quorate unless one of the Investors’ Directors (or their alternates) so appointed are in attendance (but where three or more Investors’ Directors have been appointed, the meeting shall be quorate if at least two Investors’ Directors are present), unless any Investors’ Director is unable to attend a Board meeting and has agreed to the Board meeting which would otherwise be inquorate taking place without his attendance, (ii) for so long as an Investor Director is appointed pursuant to Article 61.3, no Board meeting shall be quorate unless at least one such Investor Director is in attendance, and (iii) for so long as any Executive holds shares in the Company no Board meeting shall be quorate unless one of the Executives is in attendance.

65. If the necessary quorum pursuant to Article 64 for any meeting is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to the date which is one week from the original meeting or to such other time and place as the Directors determine. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall proceed so long as two Eligible Directors are present. No business shall be raised at a meeting adjourned pursuant to this Article 65 unless it was included in the agenda and associated notices of the original meeting.

66. Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the chairman (or other chairman of the meeting) shall not have a second or casting vote. It shall be necessary to give notice of every meeting of the Board to any Investors' Director(s) (if appointed) and any Director appointed pursuant to Article 64.

UNIVERSITY RIGHTS

67. For so long as the University Group holds shares in the Company, the University shall be entitled from time to time to appoint a person to attend all meetings of the Directors and all meetings of any committee of the Directors as an unpaid observer and any person so appointed shall be given (at the same time as the Directors) notice of all meetings of the Directors and all agendas, minutes and other papers pertaining to such meetings and to speak and place items on the agenda for discussion but not to vote.
68. The Board shall (for so long as the University Group holds shares in the Company) provide the University Group with copies of:
- 68.1. all board meeting agendas at least two business days prior to such meeting taking place; and
 - 68.2. all minutes and resolutions within ten business days of such meeting taking place.

DIRECTORS' CONFLICT OF INTEREST

- 69.
- 69.1. If a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the company in which a Director is interested, that Director is not to be counted as participating in the decision-making process for quorum or voting purposes.
 - 69.2. A Director who is interested in an actual or proposed transaction or arrangement with the Company is to be counted as participating in the decision-making process for quorum and voting purposes in the event that:
 - 69.2.1. the Company by ordinary resolution disapplies the provision of the Articles which would otherwise prevent a Director from being counted as participating in the decision-making process;
 - 69.2.2. the Director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - 69.2.3. the Director's conflict of interest arises from a permitted cause (as defined in Article 69.3).
 - 69.3. For the purposes of this Article 69, the following are permitted causes:
 - 69.3.1. a guarantee given, or to be given, by or to a Director in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries;

- 69.3.2. subscription, or an agreement to subscribe, for shares or other securities of the Company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and
 - 69.3.3. arrangements pursuant to which benefits are made available to employees and Directors or former employees and Directors of the Company or any of its subsidiaries which do not provide special benefits for Directors or former Directors.
- 69.4. For the purposes of this Article 69, references to proposed decisions and decision-making process include any Directors' meeting or part of a Directors' meeting.
- 69.5. Subject to Article 69.6, 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 of the meeting whose ruling in relation to any Director other than the chairman is to be final and conclusive.
- 69.6. If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman of the meeting, 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.

70. SCOTTISH ENTERPRISE VOTING RESTRICTIONS

- 70.1. Subject to Article 70.3, in the event that as a result of the buyback, redemption, conversion, cancellation, forfeiture of any shares or the disenfranchisement of voting rights of any part of the share capital of the Company (or any other event having similar effect), the rights attributable to Scottish Enterprise (and/or the Scottish Enterprise Group) pursuant to these Articles would otherwise operate in such a manner as to give Scottish Enterprise (and/or the Scottish Enterprise Group) control of the exercise of 30% or more of the votes at a General Meeting of the Company (a "**Trigger Event**"), the voting rights of Scottish Enterprise (and / or any member of the Scottish Enterprise Group) applicable to their shareholding on any resolution proposed at a General Meeting shall be deemed to be restricted to 29.99% of the votes cast on any poll and the votes cast by any other holder of voting shares shall be deemed to be proportionately increased such that the aggregate voting rights of all other holders of voting shares for the purpose of any vote shall equal 70.01%.
- 70.2. The Company shall give notice to Scottish Enterprise immediately upon becoming aware of the occurrence or anticipated occurrence of any event which could reasonably be expected to constitute a Trigger Event.
- 70.3. The operation of Article may be cancelled or suspended at any time or times either prior to the occurrence of any Trigger Event or subsequent to such provisions taking effect by Scottish Enterprise (and/or the Scottish Enterprise Group) in its sole discretion providing written notice to the Company of its intention to cancel or suspend the operation of Article 70.1. Immediately upon receipt of such notice, the

provisions of Article 70.1 shall be suspended or cancelled accordingly. Votes taken by the Company during the period of operation of any suspension or cancellation under this Article shall not be affected by any such suspension or cancellation.

- 70.4. Notice given by Scottish Enterprise (and/or the Scottish Enterprise Group) in terms of Article 70.3 shall be given by the Company to all shareholders whose rights to vote are affected by the operation of such Article.

THE SEAL & SHARE CERTIFICATES

71.

71.1. The Company shall not have a seal.

71.2. The conditions of issue of any shares after the date of adoption of these Articles shall not require the Company to issue any share certificate unless (i) the Board resolves to do so, or (ii) it relates to the Investors (and their transferees), any holder of Preference Shares or any member of the Scottish Enterprise Group (in which case a share certificate must be issued). Where a share certificate shall be issued in accordance with the foregoing provisions of this Article 71.2 (which shall be the case in relation to all Preference Shares to be issued) then the Company must issue the relevant member, free of charge, with one or more certificates in respect of the shares which that relevant member holds.

INDEMNITY

72. Without prejudice to any indemnity to which any person referred to in this Article 72 may otherwise be entitled, every present and former Director, alternate Director, secretary or other officer of the Company (excluding any present or former Auditors) (an “**Indemnified Person**”) shall be indemnified by the Company against all liabilities, costs, charges and expenses incurred by him in the execution and discharge of his duties to the Company and any Associated Company, including any liability incurred by any Indemnified Person in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to be done or omitted by him as an officer or employee of the Company or an Associated Company provided that such indemnity shall not extend to any liability arising out of the fraud or dishonesty of the relevant Indemnified Person (or the obtaining of any personal profit or advantage to which the relevant Indemnified Person was not entitled) and no Indemnified Person shall be entitled to be indemnified for:

72.1. any liability incurred by him to the Company or any Associated Company of the Company as above defined;

72.2. any fine imposed in any criminal proceedings;

72.3. any sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature howsoever arising;

- 72.4. any amount for which he has become liable in defending any criminal proceedings in which he is convicted and such conviction has become final;
- 72.5. any amount for which he has become liable in defending any civil proceedings brought by the Company or any Associated Company in which a final judgment has been given against him; and
- 72.6. any amount for which he has become liable in connection with any application under either Sections 661(3) or (4) or 1157 of the Act in which the court refuses to grant him relief and such refusal has become final.

For the purposes of this Article 72, "Associated Company" shall have the same meaning as in the Act.

INSURANCE

73. The Company shall have power to purchase and maintain for (i) any Indemnified Person (as defined in Article 72), (ii) any director, secretary or other officer or employee of an Associated Company and (iii) any persons who are or were at any time trustees of any pension fund or employees' share scheme in which employees of any Associated Company are interested, insurance against any liability incurred by him in connection with any negligence, default, breach of duty or breach of trust (actual or purported) by him in relation to the Company or any Associated Company or any such pension fund or employees' share scheme or otherwise in connection with his duties, powers or office.

For the purposes of this Article 73, "**Associated Company**" shall have the same meaning as in section 309A of the Act.

NOTICES

74. Anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the Company.
75. Subject to Articles 78 to 82 (inclusive), (a) any notice required or permitted to be given by the Company to a member shall be sufficiently given to that member if sent in a legible form by facsimile transmission ("**fax**"), first class or express registered post ("**post**"), or airmail, or by personal delivery, including courier delivery, to the registered address of the member, or by electronic mail ("**e-mail**") to the e-mail address of the member notified to the Company. A notice shall be deemed to have been received: (i) in the case of fax, when a successful transmission report is generated during that or the next Business Day; (ii) in the case of post, thirty-six hours from midnight (00.00 hrs) on the date of posting, postage prepaid, evidenced by the relevant proof of posting; (iii) in the case of airmail, on the seventh Business Day following mailing, if mailed by airmail, postage prepaid, evidenced by the relevant proof of posting; (iv) in the case of personal delivery, thirty minutes after the time of delivery, evidenced, where appropriate, by the courier's receipt duly counter-signed for or on behalf of the addressee and (v) in the case of e-mail, when a successful delivery receipt is generated during that or the next Business Day, and (b) where the deemed day of receipt of a notice is not a Business Day or where deemed receipt occurs at the

place of delivery on a Business Day but after 1800hrs, that notice shall be deemed to have been received at 0930hrs on the next Business Day. For the avoidance of doubt and notwithstanding the foregoing, notice shall not be validly served if sent to Scottish Enterprise by fax. Any notice to be served on Scottish Enterprise shall require to be addressed to “The Head of Transactions” (with a copy of the notice also being sent to The Head of Portfolio Management at Scottish Enterprise).

76. Subject to these Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.
77. Subject to these Articles, a Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than as expressly required in these Articles.
78. Without prejudice to Article 48 of the Model Articles, notices and any other communications sent or supplied, by or to members or Directors under these Articles may be sent or supplied by electronic means as defined in section 1168 of the Companies Act (including via a website, chatroom, extranet, intranet, blog, online social network or forum or other similar mechanism duly notified to such member or Director or by electronic mail to any email address supplied to the Company, its officers or agents in writing by such members or Directors).
79. For the purposes of Article 78 above, the Company can assume that any email addresses supplied to the Company, its officers or agents by members or Directors are up to date and current, and it is the sole responsibility of each member and Director to update the Company as to any changes in their email addresses, and to ensure that the Company has and uses the correct email address. In this regard, all members and Directors agree that the Company has no responsibility to any member or Director who fails to receive any notice or other communication as a result of the member or Director failing to comply with this Article 79.
80. When any notice or communication is sent by means of a website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism, an email shall be sent to members to inform them of the existence of the notice or communication made on such website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism in accordance with Schedule 5 of the Companies Act.
81. Any notice or communication sent by means of a website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism, shall be deemed to have been served on the intended recipient 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 any notice or communication sent by electronic mail or fax shall be deemed to be delivered at the time it was sent and shall be deemed to have been received 24 hours after its transmission.
82. Each member and Director shall for the purposes of paragraph 6 and paragraph 9 of Schedule 5 of the Companies Act, be deemed to have agreed to accept notices or communications from the Company in electronic form, and to them being made available on a website, by providing a copy of his or her email address and expressly consenting to that email address being used for the

purpose of receiving notices or communications from the Company in electronic form, and to the Company making information available on a website.

SCOTTISH ENTERPRISE RIGHTS

83. Scottish Enterprise (for so long as a member of the Scottish Enterprise Group holds shares in the Company) shall be entitled from time to time to appoint a person to attend all meetings of the Directors and all meetings of any committee of the Directors as an unpaid observer and any person so appointed shall be given (at the same time as the Directors) notice of all meetings of the Directors and all agendas, minutes and other papers pertaining to such meetings and to speak and place items on the agenda for discussion but not to vote.

84. The Board shall (for so long as a member of the Scottish Enterprise Group holds shares in the Company) provide the Scottish Enterprise Group with copies of:

84.1. all board meeting agendas at least two business days prior to such meeting taking place; and

84.2. all minutes and resolutions within ten business days of such meeting taking place.

BAMFORTH TRUSTS RIGHTS

85. The Mark R. Bamforth Irrevocable Trust (for so long as either of the Bamforth Trusts holds shares in the Company) shall be entitled from time to time to appoint a person to attend all meetings of the Directors and all meetings of any committee of the Directors as an unpaid observer and any person so appointed shall be given (at the same time as the Directors) notice of all meetings of the Directors and all agendas, minutes and other papers pertaining to such meetings and to speak and place items on the agenda for discussion but not to vote.

86. The Board shall (for so long as either of the Bamforth Trusts holds shares in the Company) provide the Mark R. Bamforth Irrevocable Trust with copies of:

86.1. all board meeting agendas at least two business days prior to such meeting taking place; and

86.2. all minutes and resolutions within ten business days of such meeting taking place.

GOVERNING LAW

87. These Articles shall be governed by, and construed in accordance with, the law of Scotland.