

Company Number: 4391926

The Companies Act

Private Company Limited by Shares

SPECIAL

RESOLUTION THREE

of

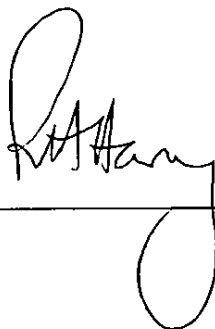
RURAL ENERGY LIMITED

AT a GENERAL MEETING of the above named company duly convened and held at Manor Farm, Owston, on 11 December 2008, the following SPECIAL RESOLUTION was duly passed, viz:-

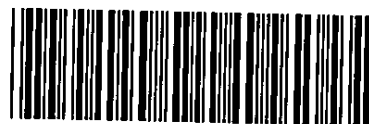
RESOLUTION THREE

That the company should adopt the revised Articles of Association (copy attached) which will replace the existing document to take effect on or after 15 December 2008, subject to the receipt of an application for "A" ordinary shares from Cape Verde Capital Limited Partnership.

CHAIRMAN



SATURDAY



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COMPANIES HOUSE

THE COMPANIES ACTS 1985 and 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

RURAL ENERGY LIMITED (COMPANY NUMBER 04391926)

(Adopted on 15 December 2008 by special resolution passed on 11 December 2008)

1. Introduction

- 1.1 The Regulations contained or incorporated in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (*SI 1985/805*) as amended by the Companies (Tables A to F) (Amendment) Regulations 2007 (*SI 2007/2541*) and as otherwise amended before the adoption of these Articles (**Table A**) shall apply to the Company, except insofar as they are varied or excluded by, or are inconsistent with, the following Articles.
- 1.2 In Regulation 1 of Table A, the words "and in Articles of association adopting the same" shall be inserted after the word "Regulations" in the last paragraph of that Regulation. The sentence "Any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force." shall be inserted at the end of that Regulation.
- 1.3 Article headings are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 Words in the singular shall include the plural and vice versa.
- 1.5 References to an Employee Shareholder or Founder Director shall where the Employee Shareholder or Founder Director is the joint holder of shares in the Company be binding on all joint holders of such shares whether or not the Employee Shareholder or Founder Director is the first named of such joint holders.
- 1.6 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in Table A shall have the same meanings in these Articles.
- 1.7 Regulations 8, 29 to 31 (inclusive), 62, 76, 77, 94 to 98 (inclusive) and 118 of Table A

shall not apply to the Company.

- 1.8 Regulation 6 of Table A shall be modified so that reference to the company seal is deleted.
- 1.9 Regulation 18 of Table A shall be modified by adding the following words at the end of the first sentence: "and all expenses that may have been incurred by the Company because of such non-payment."
- 1.10 Regulation 78 of Table A shall be modified by deleting the words "...and may also determine the rotation in which any additional Directors are to retire".
- 1.11 Regulation 84 of Table A shall be modified by deleting the third and final sentences.
- 1.12 Regulation 89 of Table A shall be modified:
 - 1.12.1 by the deleting the words "...may be fixed by the directors and unless so fixed at any other number.." in the first sentence; and
 - 1.12.2 by the adding the following as a new final sentence: "in the event that a meeting of the directors is attended by a director who is acting as alternate for one or more other directors, the director or directors for whom he is the alternate shall be counted in the quorum despite their absence and if on that basis there is a quorum, the meeting may be held despite the fact that only one director is physically present."
- 1.13 Regulation 101 of Table A shall be modified by adding the words "...if the Company has one," after the words "the seal" at the beginning of that Regulation. The following sentence shall also be added to that Regulation: "Any instrument expressed to be executed by the Company and signed by two directors, or by one director and the Secretary, by the authority of the directors or of a committee authorised by the directors shall (to the extent permitted by the Companies Acts) have effect as if executed under seal."

2. Interpretation

In these Articles, the following words have the following meanings:

1985 Act	the Companies Act 1985 (as amended), and in force before the adoption of these Articles;
2006 Act	the Companies Act 2006, in force before the

	adoption of these Articles;
A Ordinary Shares	the A Ordinary Shares of £1 each in the capital of the Company which have the rights set out in these Articles;
Bad Leaver	any Departing Employee Shareholder, where that cessation occurs in circumstances where the Employee Shareholder is guilty of any fraud, dishonesty, gross negligence or gross misconduct affecting the business;
Board	the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles;
Business Day	a day (other than a Saturday, Sunday or public holiday) when clearing banks in the City of London are open for the transaction of normal banking business;
Civil Partner	in relation to an individual Shareholder, a civil partner as defined in the Civil Partnerships Act 2004;
Company	Rural Energy Limited (Company number 04391926);
Companies Acts	the 1985 Act and the 2006 Act;
Departing Employee Shareholder	an Employee Shareholder who ceases to be a director or employee of the Company (or any other Group Company);
Director	a director of the Company from time to time;
Employee Shareholder	a Shareholder who is, or who was on or after the date of adoption of these Articles a director and/or an employee of any Group Company except for the Investor Director;
EMI Scheme	the share option scheme of the Company, under

which options to subscribe for up to 1,640 Ordinary Shares have been or are to be granted to certain employees and existing shareholders of the Company and of which options over 648 Ordinary Shares remain unexercised at the date of adoption of these Articles or are yet to be granted;

Expert

an independent firm of accountants agreed between the selling Shareholder and the Board, or in the absence of such agreement within 5 Business Days of the date on which the Expert would otherwise be appointed, a person who is an expert on the valuation of companies, to be nominated by the president, for the time being, of the Institute of Chartered Accountants of England and Wales (acting as an expert and not as an arbitrator);

Founder Directors

Richard Harvey and Paul Clark;

Good Leaver

a Departing Employee Shareholder who is not a Bad Leaver;

Group Companies

the Company and each of its Subsidiaries for the time being and **Group Company** shall be construed accordingly;

Investor

any holder of A Ordinary Shares from time to time;

Investor Consent

the written consent of the Investor provided that such consent may be communicated by the Investor Director and the Company may rely on any such communication by the Investor Director;

Investor Director

a director of the Company nominated by the Investor under Article 12;

New Securities

any shares (other than Shares issued as a result of the events set out in Article 6) 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;
Ordinary Shares	the ordinary shares of £1 each in the capital of the Company which have the rights set out in these Articles;
Qualifying Price	£632.25 for each A Ordinary Share;
Seller	the transferor of shares pursuant to a Transfer Notice;
Shares	the Ordinary Shares and the A Ordinary Shares;
Shareholder	a holder of shares in the Company;
Subsidiary	a subsidiary of the Company as defined in section 1159 of the Companies Act 2006;
Termination Date	<p>(a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;</p> <p>(b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;</p> <p>(c) where an Employee Shareholder dies, the date of his death;</p> <p>(d) where the Employee Shareholder concerned is a director but not an employee, the date on which his service agreement with the Company is terminated,</p> <p>and in any other case, the date on which the employment agreement is terminated.</p>
Transfer	in relation to Shares shall include the transfer or disposal of all or any part of the legal or beneficial interest in such Shares or any agreement to make

any such disposition or transfer;

Transfer Notice

a notice in writing given by any Shareholder to the Company where that Shareholder desires, or is required by these Articles, to transfer (or enter into an agreement to transfer) any shares. Where such notice is deemed to have been served, it shall be referred to as a Deemed Transfer Notice.

3. Share Capital

3.1 The authorised share capital of the Company at the date of adoption of these Articles is £4,000, divided into:

3.1.1 1,017 A Ordinary Shares; and

3.1.2 2,983 Ordinary Shares.

3.2 Unless the context requires otherwise, references in these Articles to shares of a particular class shall include shares created and/or issued after the date of adoption of these Articles and ranking pari passu in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue.

3.3 Except as provided in these Articles, the A Ordinary Shares and the Ordinary Shares shall rank pari passu in all respects.

4. Voting of A Ordinary Shares

4.1 In the event that the A Ordinary Shares are not voted unanimously in one direction in relation to a resolution of Shareholders (other than at a class meeting of holders of A Ordinary Shares) then no A Ordinary Shares shall carry any voting rights whatsoever in relation to that resolution. Regulation 54 of Table A shall be modified accordingly.

5. Further Issues of Shares: Pre-emption

5.1 In this Article 5 **Relevant Securities** means any shares or securities convertible into, or carrying the right to subscribe for Shares, after the date on which these Articles are adopted, but excluding:

5.1.1 the grant of options to subscribe for Ordinary Shares under the EMI Scheme (and the issue of the shares on exercise of those options); and

- 5.1.2 any Shares to be issued to the Investor pursuant to Article 6.
- 5.2 Subject to the remaining provisions of this Article 5 the Directors are generally and unconditionally authorised, for the purpose of section 80 of the 1985 Act to exercise any power of the Company to:
- 5.2.1 offer, allot or grant rights to subscribe for; or
 - 5.2.2 convert securities into; or
 - 5.2.3 otherwise deal in, or dispose of,
- any Shares to any person, at any time and subject to any terms and conditions as the Directors think proper.
- 5.3 The authority referred to in Article 5.2:
- 5.3.1 shall be limited to a maximum nominal amount of Shares equal to the amount of the authorised but unissued share capital of the Company immediately following the date on which these Articles are adopted;
 - 5.3.2 shall only apply insofar as the Company in general meeting has not renewed, waived or revoked it; and
 - 5.3.3 may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the Directors may make an offer or agreement which would, or might, require Relevant Securities to be allotted after the expiry of such authority (and the Directors may allot Relevant Securities in pursuance of an offer or agreement as if such authority had not expired).
- 5.4 In accordance with section 91(1) of the 1985 Act, sections 89(1) and 90(1) to (6) (inclusive) of the 1985 Act shall not apply to an allotment of Shares made by the Company.
- 5.5 Unless otherwise agreed by special resolution, or by written resolution passed in accordance with section 283(2) of the 2006 Act, if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to all Shareholders on the same terms, and at the same price, as those Relevant Securities are being offered to other persons on a pari passu and pro rata basis to the number of Shares held by those holders (as nearly as possible without involving fractions). The offer:
- 5.5.1 shall be in writing, and give details of the number and subscription price of

the Relevant Securities; and

5.5.2 may stipulate that any Shareholder who wishes to subscribe for a number of Relevant Securities in excess of the proportion to which each is entitled shall, in its acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which they wish to subscribe.

5.6 Any Relevant Securities not accepted by Shareholders pursuant to the offer made to them in accordance with Article 5.5 shall be used for satisfying any requests for Excess Securities made pursuant to Article 5.5. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of Shares held by the applicants immediately before the offer was made to Shareholders in accordance with Article 5.5 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered, subject to Article 5.6, to any other person as the Board may determine, at the same price and on the same terms as the offer to the Shareholders.

5.7 Subject to Article 5.5, Article 5.6 and to section 80 of the 1985 Act, any Relevant Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.

5.8 The provisions of Article 5.5 to Article 5.7 shall not apply to Shares issued or granted in order for the Company to comply with its obligations under these Articles including the Anti-Dilution Shares referred to in Article 6.

6. **Anti-dilution**

6.1 Except for bonus shares issued pro rata by the Company to its Shareholders and/or shares issued or options granted under the EMI Scheme and subject to Article 7, if New Securities are issued by the Company in the three year period after the date of adoption of these Articles at a price per New Security which is less than the Qualifying Price (a **Qualifying Issue**) (which in the event that the New Security is not issued for cash shall be a price determined by the auditors of the Company (acting as experts and not as arbitrators) as being, in their opinion, the current cash value of the new cash consideration for the allotment of the New Securities) then the Company shall, unless and to the extent that any Investor has specifically waived its rights under this Article in writing, offer (such offer, unless waived, to remain open for

acceptance for not less than 15 Business Days) to the Investor the right to receive such number of new A Ordinary Shares by applying the formula $N = ((PIP/WA) \times Z) - Z$ (and rounding the product, N, down to the nearest whole share), (the **Anti-Dilution Shares**):

Where:

N = the number of Anti-Dilution Shares to be issued to the Investor.

DRP = the price per share of the Qualifying Issue.

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

PIP = the Qualifying Price or, if Anti-Dilution Shares have been previously issued, the figure for WA that was used the last time that Anti-Dilution Shares were issued.

SC = the number of 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.

$WA = (PIP \times SC) + (DRP \times NS) / (SC + NS)$.

Z = the number of shares held by the Investor before the Qualifying Issue.

6.2 The Anti-Dilution Shares shall:

6.2.1 be paid up by the automatic capitalisation of available reserves of the Company, unless and to the extent that this is impossible or unlawful or the Investor agrees otherwise, in which event the Investor shall be entitled to subscribe for the Anti-Dilution Shares in cash at par (being the par value approved in advance by the Investor Director). If there is any dispute between the Company and any Investor as to the effect of Article 6.1 the matter shall be referred (at the cost of the Company) to the auditors of the Company for determination of the number of Anti-Dilution Shares to be issued. The auditors' determination of the matter shall, in the absence of manifest error, be final and binding on the Company and the Investor; and

6.2.2 subject to the payment of any cash payable pursuant to Article 6.2.1 (if applicable), be issued, credited fully paid up in cash and shall rank pari passu in all respects with the existing A Ordinary Shares, within 5 Business Days of the expiry of the offer being made by the Company to the Investor and pursuant to Article 6.2.1.

6.3 In the event of any Issue or Reorganisation (as defined in Article 6.4) the Qualifying Price may also be subject to adjustment on such basis as may be agreed by the

Company with the Investor within 5 Business Days after any Issue or Reorganisation. If the Company and the Investor cannot agree such adjustment it shall be referred to the auditors of the Company whose determination shall, in the absence of manifest error, be final and binding on the Company and each of its Shareholders. The costs of the auditors shall be borne by the Company.

- 6.4 In this Article 6, Issue or Reorganisation means any return of capital, issue of Shares or other securities of the Company by way of capitalisation of profits or reserves or any consolidation or sub-division of Shares or any repurchase or redemption of Shares.

7. Pay to Play

- 7.1 If the Company makes an issue of Shares to which Article 6 applies (a **Further Issue**) and:

- 7.1.1 an Investor is entitled to participate in the Further Issue by virtue of its pre-emption rights (whether arising under these Articles or otherwise); and
- 7.1.2 the Investor in question does not subscribe for at least 75% of its entitlement of the Further Issue (ignoring any rights which arise from the failure of another person to subscribe),

then all A Ordinary Shares held by that Investor will lose their right to the anti-dilution protection set out in Article 6 in respect of that specific Further Issue of shares only.

8. Pre-emption Rights

8.1 Transfer notices

Save as otherwise provided in these Articles every Shareholder who desires to transfer any Shares shall give to the Company a Transfer Notice. Transfer Notices shall constitute the Company the agent of the Seller for the sale of the Shares specified therein (the **Sale Shares**) in one or more lots at the discretion of the Directors.

A Transfer Notice shall specify:

- 8.1.1 the identity of the buyer of the Sale Shares (if any) (the **Buyer**);
- 8.1.2 the price per Share proposal to be paid by any Buyer, which shall be in cash and not on deferred or contingent terms; and
- 8.1.3 the number of Shares proposed to be sold.

Any Shareholder (other than the Seller) may request reasonable details from the Seller concerning the ultimate beneficial ownership of any Buyer which is not a Shareholder.

8.2 Calculation of the Sale Price

Unless a price is specified in the Transfer Notice, the price for the Sale Shares (the **Sale Price**) shall be the price agreed by the Seller and the Directors. If the Seller and the Directors are unable to agree a price within 10 Business Days of the Transfer Notice being given the Sale Price will instead be the price which the Expert shall certify to be in his opinion a fair value thereof. In arriving at his opinion the Expert will value the Sale Shares on a going concern basis as between a willing seller and a willing buyer ignoring any change in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a majority or minority interest. The decision of the Expert as to the Sale Price shall be final and binding. The costs of the Expert shall be borne as to half by the Company and half by the relevant Seller. The Company and the Seller shall use their best endeavours to procure that the Expert certification is concluded within a further 15 Business Days after his appointment.

8.3 Right of Seller to reject partial sales

A Transfer Notice may contain a condition (a **Total Transfer Condition**) that unless all the Sale Shares are sold by the Company pursuant to this Article none shall be sold. Any such provision shall be binding on the Company.

8.4 Certification of the Sale Price and right of Seller to cancel

If the Expert is asked to certify the fair value of the Sale Price, his certificate shall be delivered to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. A Seller shall be entitled by notice in writing given to the Company within ten days of the service upon him of the copy certificate to cancel the Company's authority to sell the Sale Shares. The cost of obtaining the certificate shall be paid in accordance with Article 8.2 unless the Seller cancels the authority of the Company to sell the Sale Shares in which case the Seller shall bear the cost.

8.5 Pre-emptive offers-general

Once the Sale Price has been determined then unless the Seller gives a valid notice of cancellation in accordance with Article 8.4 the Sale Shares shall be offered for sale

as set out below. All offers made by the Company shall give details of the number and Sale Price of the Sale Shares.

8.6 Initial Offer Process

Subject to Article 8.8, the Company shall offer the Sale Shares for sale within 5 Business Days of receipt by it of a Transfer Notice or Deemed Transfer Notice as follows:

- 8.6.1 first and subject to the provisions of the Companies Acts, such number of the Sale Shares as may be determined by the Board with prior Investor Consent shall be acquired by the Company;
- 8.6.2 second, the Sale Shares may in whole or in part at the discretion of the Board with prior Investor Consent be offered or acquired for offer to existing or future employees of a Group Company in whatever manner the Board deems appropriate including through a trust established for such purpose or through the grant of share options;
- 8.6.3 if there are any Sale Shares that have not been utilised in accordance with Articles 8.6.1 and 8.6.2 above, such balance of Sale Shares shall be offered for sale by the Company to the Shareholders (other than the Seller) (**Continuing Shareholders**) pro rata as nearly as may be to the respective numbers of shares held by such Continuing Shareholders.

Any offer made by the Company under Article 8.6.3 will invite the Continuing Shareholders to state in writing whether they wish to purchase the Sale Shares offered to them on a pro rata basis, and if so to state also the maximum number of further Sale Shares they would be willing to purchase, and will remain open for 15 Business Days (the **First Offer Period**).

If at the end of the First Offer Period there are any Sale Shares offered to the Continuing Shareholders which any of such Continuing Shareholders have not indicated a wish to purchase on a pro rata basis (**Excess Shares**) then the Company shall allocate such Excess Shares to each such Continuing Shareholder who has indicated a willingness to purchase further Sale Shares in excess of their pro rata entitlement. If there are insufficient Excess Shares to allocate to each such Continuing Shareholder the number of such Shares he has indicated a willingness to purchase, then the Board will allocate the Excess Shares pro rata as nearly as may be in proportion to the number of Excess Shares that each such accepting

Shareholder indicated a willingness to purchase. Fractional entitlements shall be rounded to the nearest whole number.

8.7 Second Offer

If following the end of the First Offer Period there are any Sale Shares which have not been allocated the Company will offer such shares to all Continuing Shareholders pro rata as nearly as possible to the respective number of Shares held by each such Shareholder.

This offer will invite Continuing Shareholders to state in writing whether they wish to purchase the Sale Shares offered to them on a pro rata basis and if so to state also the maximum number of further Sale Shares they would be willing to purchase, and will remain open for a period of 15 Business Days (the **Second Offer Period**).

If at the end of the Second Offer Period there are any Sale Shares offered to Continuing Shareholders which any of such Continuing Shareholders have not indicated a wish to purchase on a pro rata basis (**Excess Shares**) then the Company shall allocate such Excess Shares to each such Continuing Shareholder who indicated a willingness to purchase further Sale Shares in excess of their pro rata entitlement. If there are insufficient Excess Shares to allocate to each such Continuing Shareholder the number of such shares he indicated a willingness to purchase, then the Board will allocate the Excess Shares pro rata as nearly as may be in proportion to the number of further Sale Shares that each such accepting Shareholder indicated a willingness to purchase. Fractional shares shall be rounded to the nearest whole number.

8.8 Transfer of significant holding

In the event of a Transfer Notice or Deemed Transfer Notice given or deemed to be given in respect of:

- 8.8.1 a Founder Director holding more than 15% of the issued share capital of the Company at the date of adoption of these Articles and such Transfer Notice or Deemed Transfer Notice is given or deemed to be given within two years from the date of adoption of these Articles; or
- 8.8.2 the Founder Directors (or if applicable the remaining Founder Director) in respect of a bona fide offer from a third party for the purchase of the entire legal or beneficial interest in all Shares owned by them in circumstances where Article 10.1 does not apply,

the Company shall prior to any offer made pursuant to Article 8.6, within 5 Business Days of receipt or deemed receipt by it of the Transfer Notice or Deemed Transfer Notice offer the Sale Shares to the Investor at the price set out in the Transfer Notice or otherwise applicable under these Articles. If the Investor does not accept such offer in full within 20 Business Days of receipt of such offer from the Company, the Sale Shares shall be offered by the Company in accordance with the provisions of Articles 8.6 and 8.7.

8.9 Transfer procedure for pre-emptive offers

If the Company finds a purchaser for all or any of the Sale Shares under the terms of this Article 8 the Seller shall, subject to Article 8.4, be bound upon receipt by the Company of the Sale Price (and the Company shall give a good discharge for the Sale Price on behalf of the Seller) to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such persons and the Company shall then be bound to deliver up the Sale Price to the Seller against delivery by the Seller of his certificate for the Sale Shares and the transfer(s) of the Sale Shares executed by the Seller. If the Seller defaults in transferring Sale Shares the Company shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall (subject to stamping the transfers of the Sale Shares) enter the names of the purchasers in the Register of Members as the holder of such of the Sale Shares as shall have been transferred to them as aforesaid.

8.10 Transfers free of pre-emption

If the Company does not find purchasers for all of the Sale Shares under the terms of this Article 8 the Seller shall at any time within three months after the final offer by the Company to its Shareholders be entitled where the Transfer Notice contained a Total Transfer Condition, a specified Buyer and a specified Sale Price, to sell all (but not part only) of the Sale Shares to the person specified as the Buyer in the Transfer Notice at a price which is no less than the Sale Price.

8.11 Effect of non-compliance

Any purported transfer of shares otherwise than in accordance with the foregoing provisions of these Articles shall be void and have no effect.

9. Compulsory Transfers

9.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall

be regarded as serving a Deemed Transfer Notice in relation to such Share at such time as the Directors determine.

- 9.2 If a company that is a Shareholder resolves to appoint a liquidator, administrator or administrative receiver over it (or a material part of its business), that Shareholder shall be regarded as giving a Deemed Transfer Notice in respect of all the Shares held by it at such time as the Directors determine.
- 9.3 If an Employee Shareholder becomes a Departing Employee Shareholder, that Departing Employee Shareholder and any of his Permitted Transferees to whom he has transferred Shares shall be regarded as giving a Deemed Transfer Notice in respect of all the Shares held by the Departing Employee Shareholder and such Permitted Transferees on the Termination Date. In such circumstances the Sale Price shall be calculated as follows:
- 9.3.1 where the Departing Employee Shareholder is a Bad Leaver, the price paid by the Departing Employee Shareholder for such Sale Shares;
- 9.3.2 where the Employee Shareholder becomes a Departing Employee Shareholder within two years of the date of adoption of these Articles, the price paid by the Departing Employee Shareholder for such Sale Shares; and
- 9.3.3 where the Employee Shareholder becomes a Departing Employee Shareholder at any time after the date which is two years after the date of adoption of these Articles, the fair value of the Sale Shares (calculated in accordance with Article 8).
- 9.4 The Departing Employee Shareholder's Shares shall be offered in accordance with the provisions of Articles 8.6 to 8.9 inclusive.
- 9.5 All voting rights attached to the Departing Employee Shareholder's Shares, if any, shall be suspended on the Termination Date (**Restricted Shares**). However, the holders of Restricted Shares shall have the right to receive a notice of, and to attend, all general meetings of the Company, but shall have no right to vote either in person or by proxy.
- 9.6 Voting rights suspended by Article 9.5 shall be automatically restored before a listing.
- 9.7 All voting rights attached to the Restricted Shares transferred under this Article 9 shall be automatically restored on completion of the transfer,

10. Tag Along and Drag Along upon sale of the Company's shares

- 10.1 A Shareholder or Shareholders which together hold a majority of Shares (**Majority Seller**) may accept a bona fide offer (whether or not solicited by the Majority Seller) (**Offer**) from a third party (**Proposed Buyer**) for the purchase of the entire legal and beneficial interest in all Shares owned by it (**Offered Shares**) for a consideration payable in cash and otherwise on arm's length terms so long as the acceptance is conditional upon the terms of Article 10.2 being complied with in all respects and that condition is not waived.
- 10.2 The Majority Seller may complete a purchase pursuant to the Offer if:
- 10.2.1 the Majority Seller has given written notice to the Investor of its wish to sell the Offered Shares to the Proposed Buyer and of the terms on which it proposes to sell such Shares and the Investor has not within 20 Business Days of receipt of such notice notified the Majority Seller that it wishes to acquire the Shares on terms no worse than those in the Offer;
 - 10.2.2 the pre-emption provisions in Article 8 have been complied with and the Majority Seller is entitled to sell the Offered Shares pursuant to Article 8.10;
 - 10.2.3 it despatches a notice within 15 Business Days of becoming entitled to accept the Offer under Article 8.10 notifying the other Shareholders (**Remaining Shareholders**) of the main terms of the Offer and that it has contracted to accept the Offer as permitted by this Article, such notice to constitute a warranty and representation by the Majority Seller to the Remaining Shareholders that the Offer and the Majority Seller's acceptance of it is bona fide in all respects to the best of the Majority Seller's knowledge, information and belief;
 - 10.2.4 the Proposed Buyer has made a binding written offer to purchase the entire legal and beneficial interest in the Offered Shares owned by the Remaining Shareholders at the same price per Share and on terms that are not worse than those in the Offer that is kept open for at least 20 Business Days from delivery of the notice sent by the Majority Seller to the Remaining Shareholders, and payment of the purchase consideration on completion is guaranteed by a reputable bank if this is requested by any Remaining Shareholder; and
 - 10.2.5 the period mentioned in Article 10.2.3 above has elapsed and none of the Remaining Shareholders has accepted the offer made by the Proposed

Buyer to them or, if any of the Remaining Shareholders has accepted the offer within the relevant period, the purchase of their Shares has been completed.

- 10.3 If some or all of the Remaining Shareholders do not accept the Offer from the Proposed Buyer, then the Majority Seller may, at any time following delivery of the notice sent by the Majority Seller to the Remaining Shareholders, require all or any of the Remaining Shareholders to promptly transfer their Shares to the Proposed Buyer on the terms set out in Article 10.2 above.
- 10.4 If any Remaining Shareholder fails to transfer any Shares in accordance with Article 10.3, the Majority Seller may authorise some person (who is (as security for the performance of the defaulting Remaining Shareholder's obligations) irrevocably and unconditionally appointed as the attorney of the defaulting Remaining Shareholder for the purpose) to execute the necessary instrument of transfer of his Shares and may deliver such transfer on his behalf and the Majority Seller may receive the purchase money and shall upon receipt of such money (subject to such instrument being stamped with any required stamp duty) cause the Proposed Buyer to be registered as the holder of the Shares being transferred and shall hold such purchase money on behalf of the defaulting Remaining Shareholder. The Majority Seller shall not be bound to earn or pay interest on any money so held and shall not pay such money to any defaulting Remaining Shareholder until he shall have delivered his share certificates (or an appropriate indemnity in respect of any lost certificates) to the Company. The receipt of the Majority Seller for such purchase money shall be a good discharge to the Proposed Buyer who shall not be bound to see to the application of such money, and after the name of the Proposed Buyer has been entered in the register of shareholders of the Company in purported exercise of such power the validity of the proceedings shall be unchallengeable.

11. Squeeze Out Rights

11.1 In the event that:

- 11.1.1 the Investor has accepted an offer of Shares under Article 8.8 in respect of Shares to which Article 8.8.2 is applicable; or
- 11.1.2 the Investor has given notice to the Majority Seller that it wishes to acquire the Offered Shares pursuant to the notification given to it under Article 10.2.1; or
- 11.1.3 the Investor has made a bona fide offer on arm's length terms to the

Founder Directors (or the remaining Founder Director) for the purchase of the entire legal and beneficial ownership of the Shares owned by them (**Investor Offer**) and the Founder Directors (or the remaining Founder Director) wish to accept such Investor Offer,

the Investor shall have the right, exercisable during the three month period following the date on which it accepts such offer or the Founder Directors (or the remaining Founder Director) accept the Investor Offer, as the case may be, to acquire the remainder of the share capital of the Company, at the same price per Share and on terms that are not worse than those in such offer or Investor Offer, as the case may be.

- 11.2 The Investor shall, upon exercise of the right in Article 11.1, serve written notice on the Shareholders other than the Investor and, if applicable, the Founder Directors (the **Other Shareholders**) containing the price per Share proposed to be paid by the Investor (a **Squeeze Out Notice**). The Other Shareholders shall, within 20 Business Days following service of the Squeeze Out Notice, execute and deliver to the Investor transfers in respect of all Shares held by them, together with their share certificates in respect of such Shares or an indemnity in respect thereof in a form acceptable to the Investor.
- 11.3 If any Other Shareholder fails to transfer any Shares in accordance with Article 11.2, the Investor may authorise some person (who is (as security for the performance of the defaulting Other Shareholder's obligations) irrevocably and unconditionally appointed as the attorney of the defaulting Other Shareholder for the purpose) to execute the necessary instrument of transfer of his Shares and may deliver such transfer on his behalf and the Company may receive the purchase money and shall upon receipt of such money (subject to such instrument being stamped with any required stamp duty) cause the Investor to be registered as the holder of the Shares being transferred and shall hold such purchase money on behalf of the defaulting Other Shareholder. The Company shall not be bound to earn or pay interest on any money so held and shall not pay such money to any defaulting Other Shareholder until he shall have delivered his share certificates (or an appropriate indemnity in respect of any lost certificates) to the Company. The receipt of the Company for such purchase money shall be a good discharge to the Investor who shall not be bound to see to the application of such money, and after the name of the Investor has been entered in the register of shareholders of the Company in purported exercise of such power the validity of the proceedings shall be unchallengeable.

12. The Board And The Investor Director

- 12.1 The maximum number of directors of the Board holding office at any one time shall be five unless expressly agreed in advance by the Investor.
- 12.2 For so long as the Investor and its Permitted Transferees hold Shares in the Company they shall have the right to:
- 12.2.1 appoint and maintain in office one natural person as the Investor may from time to time direct as an Investor Director (and as a member of each and any committee of the Board) and to remove any director so appointed and, upon his removal whether by the Investor or otherwise, to appoint another person to act as an Investor Director in his place; and
- 12.2.2 appoint a representative to attend as an observer at each and any meeting of the Board and of each and any committee of the Board (the **Observer**).
- 12.3 Appointment and removal of an Investor Director shall be by written notice to the Company which shall take effect on delivery at its registered office or at any meeting of the Board or committee thereof subject to the Investor having consulted with the Founder Directors and taken proper account of the views of the Founder Directors at a Board meeting of the Company before the Investor appoints or changes the Investor Director (although for the avoidance of doubt the Investor is not bound to obtain the Founder Directors' consent before appointing or changing the Investor Director).
- 12.4 Meetings of the Board shall be held at least ten times every year.
- 12.5 The Company shall send to the Investor and, when appointed, the Investor Director and the Observer (in electronic format if so required):
- 12.5.1 reasonable advance notice of each Board meeting and each committee of it;
- 12.5.2 a written agenda for each Board meeting and each committee meeting, accompanied by all relevant papers; and
- 12.5.3 as soon as practicable after each such meeting, a copy of the minutes or committee minutes of such meetings.
- 12.6 Except with the consent of each director of the Company, no resolution may be passed at a meeting of the Board (or a meeting of a committee of the Board), unless:
- 12.6.1 the nature of the business has been specified in the agenda;

12.6.2 proper notice has been given of the meeting as specified in Article 12.5 above; and

12.6.3 either an Investor Director or an Observer (if appointed) is present at such meeting and, in the absence of an Investor Director, the Observer shall act as alternate director of the Investor Director, save in the case of a meeting adjourned due to the absence of the Investor Director and Observer, which adjourned meeting shall take place at the same time and place the following week, when this requirement shall not apply.

13. Directors' powers to authorise conflicts of interest

13.1 The directors may, in accordance with the requirements set out in this article, authorise any matter proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 of the Companies Act 2006 to avoid conflicts of interest (**Conflict**).

13.2 Any authorisation under this article will be effective only if:

13.2.1 the matter in question shall have been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors under the provisions of these articles or in such other manner as the directors may determine;

13.2.2 any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question; and

13.2.3 the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.

13.3 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):

13.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the Conflict so authorised;

13.3.2 be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine;

13.3.3 be terminated or varied by the directors at any time.

This will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation.

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

13.4.1 disclose such information to the directors or to any director or other office or employee of the Company;

13.4.2 use or apply any such information in performing his duties as a director; where to do so would amount to a breach of that confidence.

13.5 Where the directors authorise a Conflict they may provide, without limitation (whether at the time of giving the authorisation or subsequently) that the director:

13.5.1 is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict;

13.5.2 is not given any documents or other information relating to the Conflict;

13.5.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict.

13.6 Where the directors authorise a Conflict:

13.6.1 the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict;

13.6.2 the director will not infringe any duty he owes to the company by virtue of sections 171 to 177 of the Companies Act 2006 provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation.

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

14. Lien

The lien conferred by Regulation 8 of Table A shall apply to all shares of the

Company whether fully paid or not, and to all shares registered in the name of any person indebted or under liability to the Company, whether he is the sole registered holder of the shares or one of several joint holders.

15. Partly Paid Shares

If the subscription price of any share (including any premium) is partly paid, the rights to dividend and on a return of capital of any such share shall be reduced in the same proportion as the unpaid amount bears to the total subscription price.

16. Indemnity

- 16.1 Subject to the Companies Acts, but without prejudice to any indemnity to which a Director may otherwise be entitled, each Director or other officer or auditor of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties, or in relation to them, including any liability incurred by him in defending any civil or criminal proceedings in which judgment is given in his favour, or in which he is acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which the court grants him relief from liability for negligence, default, breach of trust or breach of trust in relation to the Company's affairs.
- 16.2 The Company may buy and maintain insurance against any liability falling upon its Directors or other officers or auditors which arises out of their respective duties to the Company, or in relation to its affairs.