

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

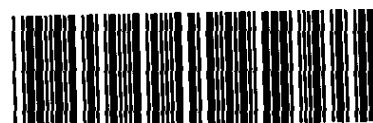
of

RAPTOR OIL LTD

(the "Company")

Circulated on 16 July 2019

WEDNESDAY



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11/09/2019

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COMPANIES HOUSE

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (the "Act"), the directors of the Company propose that the following resolutions are passed as written resolutions of the Company having effect, in the case of Resolution 1, as a special resolution and, in the case of Resolutions 2 and 3, as ordinary resolutions of the Company (the "Resolutions"):-

SPECIAL RESOLUTION

1. **THAT** the draft articles of association attached to the Resolutions be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.

ORDINARY RESOLUTIONS

2. **THAT**, in substitution for any previous authority, the directors be generally and unconditionally authorised, in accordance with section 551 of the Act, to allot the Conversion Shares in accordance with the terms of the Loan Agreement entered into among the Company, Scottish Enterprise, ConocoPhillips Company, Equinor Technology Ventures AS, Gordon James Cowie and Colin Sinclair MacLean as at the date of this Resolution, such shares having the rights set out in the articles of association of the Company from time to time.
3. **THAT**, each member of the Company hereby irrevocably and unconditionally consents to the allotment of the Conversion Shares in accordance with the terms of the Loan Agreement, and each member waives their right of pre-emption in relation to such allotment of Conversion Shares.

AGREEMENT

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

The undersigned were, at the time the Resolutions were circulated entitled to vote on, and hereby irrevocably agree to, the Resolutions:-

*Colin MacLean*  
Colin Sinclair MacLean

*17 July* 2019

.....2019  
Gordon James Cowle

.....2019  
Robert Lyons

.....2019  
David Lane

.....2019  
Colin Reid

.....2019  
Alistair Weir Dornan

.....2019  
Derek Boyne

.....2019  
For and on behalf of  
ConocoPhillips Company

.....2019  
For and on behalf of  
Equinor Technology Ventures AS

.....2019  
For and on behalf of  
Scottish Enterprise

.....2019  
George Smith as attorney for  
Lindsay Marshall McCall Smith

.....2019  
George Smith as attorney for  
Victoria Anne Moore

.....2019  
George Smith as attorney for  
Sara Morris

Colin Smoker MacLean

Gordon James Cowie

Robert Lyons

Daryl Lane

Colin Reid

Alister John Dornan

Derek Byrne

For And On Behalf Of

David Smith

For And On Behalf Of

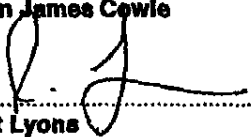
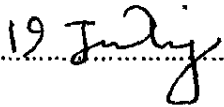
Gordon James Cowie

For And On Behalf Of

For And On Behalf Of

For And On Behalf Of

For And On Behalf Of

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<b>Colin Sinclair MacLean</b>	
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<b>Gordon James Cowie</b>	
	
<b>Robert Lyons</b>	.....2019
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<b>David Lane</b>	
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<b>Alistair Weir Dornan</b>	
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<b>Derek Boyne</b>	
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<b>For and on behalf of Scottish Enterprise</b>	
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<b>George Smith as attorney for Lindsay Marshall McCall Smith</b>	
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<b>George Smith as attorney for Victoria Anne Moore</b>	
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<b>George Smith as attorney for Sara Morris</b>	

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ConocoPhillips Company**

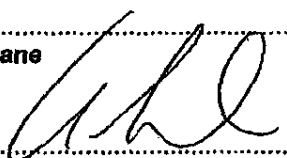
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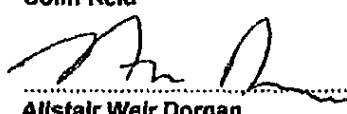
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**For and on behalf of  
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**George Smith as attorney for  
Lindsay Marshall McCall Smith**

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**George Smith as attorney for  
Victoria Anne Moore**

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**George Smith as attorney for  
Sara Morris**

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<b>Robert Lyons</b>	
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<b>Derek Boyne</b>	
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George Smith as attorney for <b>Sara Morris</b>	

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**Colin Sinclair MacLean**

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**Gordon James Cowie**

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**Robert Lyons**

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**David Lane**

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**Colin Reid**

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**Alistair Weir Dornan**

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**Derek Boyne**

*M. J. Pritchard*  
.....  
For and on behalf of  
**ConocoPhillips Company**

*17th July,*.....2019



.....2019  
For and on behalf of  
**Equinor Technology Ventures AS**

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For and on behalf of  
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**George Smith as attorney for  
Lindsay Marshall McCall Smith**

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Victoria Anne Moore**

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**Colin Sinclair MacLean**

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**David Lane**

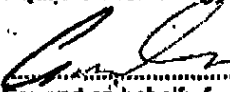
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**Allstair Weir Dornan**

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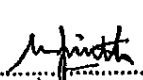
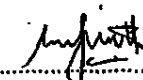
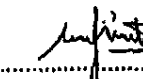
.....2019  
  
**For and on behalf of  
Scottish Enterprise**


.....2019  
**George Smith as attorney for  
Lindsay Marshall McCall Smith**

.....2019  
**George Smith as attorney for  
Victoria Anne Moore**


.....2019  
**George Smith as attorney for  
Sara Morris**

17 JULY

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<b>Colin Sinclair MacLean</b>	
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<b>Gordon James Cowle</b>	
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<b>Robert Lyons</b>	
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<b>For and on behalf of Scottish Enterprise</b>	
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<b>George Smith as attorney for Lindsay Marshall McCall Smith</b>	
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<b>George Smith as attorney for Victoria Anne Moore</b>	
 .....	19 July 2019
<b>George Smith as attorney for Sara Morris</b>	

  
.....  
George Smith as attorney for  
Andrew Irvine Wilson Smith

.....19 July.....2019

  
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George Smith as attorney for  
Gordon Barr Smith

.....19 July.....2019

## NOTES

1. If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods:-
  - **By Hand:** delivering the signed copy to the Company Secretary, 13 Queen's Road, Aberdeen AB15 4YL
  - **Post:** returning the signed copy by post to the Company Secretary, 13 Queen's Road, Aberdeen AB15 4YL
  - **E-mail:** by attaching a scanned copy of the signed document to an e-mail and sending it to Jenni.Colvin@pinsentmasons.com. Please enter "Written resolution dated [ ] 2019" in the e-mail subject box.
2. If you do not agree to the Resolutions, you do not need to do anything: you will not be deemed to agree if you fail to reply.
3. Once you have indicated your agreement to the Resolutions, you may not revoke your agreement.
4. Unless, by the date falling 28 days after the date on which the Resolutions were circulated, sufficient agreement has been received for the Resolutions to pass, they will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date.
5. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.
6. Sufficient agreement will have been reached:
  - to pass Resolution 1 if eligible members representing no less than 75% of the total voting rights of eligible members signify their agreement to it; and
  - to pass the Resolutions 2 and 3 if eligible members representing over 50% of the total voting rights of eligible members signify their agreement to it.

**RAPTOR OIL LTD**  
**(Registered Number SC407780)**

**ARTICLES OF ASSOCIATION**

**(adopted on 25 July 2019)**

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# ARTICLES OF ASSOCIATION

(adopted on 25 July 2019)

of

## RAPTOR OIL LTD

### 1. INTRODUCTION

#### 1.1

1.1.1 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 the Companies (Tables A to F) (Amendment) (No 2) Regulations 2007 (SI 2007/2826), 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.

1.1.2 The model Articles for private companies limited by shares set out in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) shall not apply to the Company.

1.2 In Regulation 1 of Table A, the words "and in Articles of association adopting the same" shall be inserted after the second reference to "regulations" in the last paragraph of that Regulation. The following sentence shall be added to the end of Regulation 1 of Table A: "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."

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 Save as otherwise specifically provided in these Articles:

1.5.1 words and expressions which have particular meanings in the Act (to the extent in force from time to time) shall have the same meanings in these Articles; and

1.5.2 subject to Article 1.5.1, words and expressions which have particular meanings in Table A shall have the same meanings in these Articles.

1.6 Regulations 8, 29 to 31 (inclusive), 54, 62, 76, 77, 82, 94 to 98 (inclusive), 102 to 105 (inclusive) and 118 of Table A shall not apply to the Company.

1.7 Regulation 6 of Table A shall be modified so that reference to the company seal is deleted.

1.8 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."

1.9 Regulations 24 to 26 (inclusive) shall not apply to any transfer of shares made by an Investor which would otherwise be permitted in accordance with these Articles.

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 88 of Table A shall be modified by deleting the fifth sentence.
- 1.13 Regulation 89 of Table A shall be modified:
- 1.13.1 by the deleting the words "...may be fixed by the Directors and unless so fixed at any other number.." in the first sentence; and
- 1.13.2 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."
- 1.14 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 Act) have effect as if executed under seal."
- 1.15 Regulation 112 of Table A shall be modified by deleting the words "but otherwise no such member shall be entitled to receive any notice from the company" in the third sentence.

## 2. INTERPRETATION

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

<b>"Act"</b>	the Companies Act 2006, in force from time to time.
<b>"A Ordinary Return"</b>	<b>Preferred</b> the sum of £1.00 in aggregate to be distributed to the holders of the A Ordinary Shares in accordance with Article 5.1.2.
<b>"A Ordinary Shares"</b>	the A Ordinary shares of £0.00001 each in the capital of the Company.
<b>"Acting in Concert"</b>	has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended).
<b>"Asset Sale"</b>	means the disposal (which shall include without limitation the granting of an exclusive licence or lease over assets or rights) by the Company of all, or a substantial part of, its business and assets (whether directly or through a Member of the same Group).
<b>"Associate"</b>	in relation to any person means: <ul style="list-style-type: none"> <li>a) any person who is an associate of that person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986; and (whether or not an associate as so determined);</li> <li>b) any Member of the same Group; and</li> <li>c) any Member of the same Fund Group.</li> </ul>
<b>"Available Profits"</b>	means the profits available for distribution within the meaning of Part 23 of the Act.

<b>"Bad Leaver"</b>		means a Departing Employee Shareholder who is not a Good Leaver nor a Fault Leaver.
<b>"Board"</b>		means the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles.
<b>"Business Day"</b>		means a day on which the Scottish clearing banks are ordinarily open for the transaction of normal banking business (other than a Saturday or Sunday);.
<b>"Civil Partner"</b>		means in relation to a Shareholder, a civil partner (as defined in the Civil Partnership Act 2004) of the Shareholder.
<b>"Company"</b>		means Raptor Oil Ltd, (company number SC407780) whose registered office is at 26 Gordon Terrace, Dyce, Aberdeen, AB21 7BD.
<b>"Connected Persons"</b>		has the meaning given in section 1122 of the Corporation Tax Act 2010.
<b>"Controlling Interest"</b>		means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.
<b>"COP"</b>		means ConocoPhillips Company, a company registered in Delaware under file number 0064324 with the registered agent Corporation Service Company of 2711 Centerville Rd Ste 400, Wilmington, New Castle, Delaware 19808 and any Permitted Transferee thereof acquiring shares in accordance with these Articles.
<b>"Departing Shareholder"</b>	<b>Employee</b>	means an Employee Shareholder who within the period prior to the third anniversary of the date of adoption of these Articles (subject to (ii) below) ceases to be a director, consultant or employee of the Company (or any other Group Company) and does not continue as, or become, a director, consultant or employee of any other Group Company provided that (i) any Director appointed by an Investor or by a Seed Investor Majority pursuant to Article 20.1 shall not be considered a Departing Employee Shareholder on the cessation of any such appointment and/or (ii) in respect of a director, consultant and/or employee of any Group Company who is appointed after the date of adoption of these Articles and who becomes an Employee Shareholder, the relevant three year period referred to above shall be the period ending on the third anniversary of the date of such director, consultant and/or employee's appointment.
<b>"Director"</b>		means a director of the Company from time to time.
<b>"Employee Shareholder"</b>		a Shareholder, other than a Shareholder who is also a Seed Investor, (or a person who was such a Shareholder prior to the transfer of that person's Shares to a Permitted Transferee thereof) who is, or has been, a director, a consultant and/or an employee of any Group Company.

<b>"Encumbrance"</b>	means any mortgage, charge, security, interest, lien, pledge, assignment/assignation by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including, without limitation, any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law).
<b>"Equity Shares"</b>	means the Preferred Shares and the Ordinary Shares but excludes the A Ordinary Shares.
<b>"Ethical and Behavioural Expectations"</b>	has the meaning given to it in the Service Agreement.
<b>"Exit"</b>	means a Share Sale, an Asset Sale or a Listing.
<b>"Family Trusts"</b>	means as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than the individual and/or Privileged Relations of that individual; and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons.
<b>"Fault Leaver"</b>	an Employee Shareholder who becomes a Departing Employee Shareholder because his contract of employment or, in the case of a consultant his contract of services, has been terminated by the Company (or by another Group Company) as a result of his gross misconduct (including conduct considered by the Board (excluding the Fault Leaver) to be capable of bringing the Company into serious disrepute), fraud or him having been disqualified from being a director.
<b>"Founders"</b>	means each of Gordon Cowie and Colin Maclean and <b>"Founder"</b> means either of them.
<b>"Fund Manager"</b>	means a person whose principal business is to make, manage or advise upon investments in securities.

**"Good Leaver"**

means an Employee Shareholder who becomes a Departing Employee Shareholder, where that cessation occurs as a result of:

(i) the retirement (at normal retirement age) of the Departing Employee Shareholder;

(ii) the death of the Departing Employee Shareholder;

(iii) the permanent incapacity of the Departing Employee Shareholder due to ill-health or injury or disability which is sufficiently serious to prevent him from carrying on his duties;

(iv) the redundancy, unfair dismissal or constructive dismissal of the Departing Employee Shareholder; or

(v) where the Departing Employee Shareholder is Colin Maclean, the termination of employment of that Departing Employee Shareholder on any date on or after the Company reaches the completion of Phase IV of the plans for the development of the Company set out in the business plan of the Company in place at the date of adoption of these Articles by the giving of notice to or by that Departing Employee Shareholder after a permanent and materially detrimental change in the remuneration, duties or role of the Departing Employee Shareholder;

(vii) where the Departing Employee Shareholder is Gordon Cowie, the termination of employment of that Departing Employee Shareholder on any date after the Departing Employee Shareholder has, in the sole discretion of the Board, delivered the Technical and Commercial Milestones in a manner consistent with the Ethical and Behavioural Expectations, providing that the Departing Employee has complied with clause 7 of the Settlement Agreement; or

(vi) the Departing Employee Shareholder is determined by the Board with Investor Consent to be a Good Leaver.

**"Group"**

means, in relation to the Company, the Parent Undertaking of the Company and each and any of the Company's Subsidiary Undertakings or a Subsidiary Undertaking of the Company's Parent Undertaking (if any) from time to time and "Group Company" shall be construed accordingly.

**"Independent Expert"**

means an independent firm of accountants (acting as an expert and not as an arbiter).

**"Investor"**

means each of COP, STI and SE and any other person to whom any of them transfer their Shares and who adheres to any shareholders agreement in place from time to time as an "Investor".

**"Investor Consent"**

means the prior written consent of each of the Investors from time to time, provided that in relation to any consent to be given, or withheld, by an Investor, such Investor may determine (acting on his own part only and without prejudice to the other Investor rights to give or withhold consent) that the relevant Investor Director appointed by that Investor may give, or withhold, such consent (only for the relevant Investor which appointed him and not on behalf of any other Investor or Investor Director).

<b>"Investor Director"</b>	means any director of the Company nominated by an Investor pursuant to Article 20.
<b>"Investor Fund Manager"</b>	means a Fund Manager which advises or manages an Investor.
<b>"Listing"</b>	means the successful application and admission of all or any of the shares in the capital of the Company, or securities representing such shares (including American depositary receipts, American depositary shares and/or other instruments) to the Official List of the UK Listing Authority or on the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc., or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000 (as amended)).
<b>"Management Director"</b>	means that Director appointed by the Investor Director(s) and the Seed Investor Director pursuant to Article 20.1.
<b>"Member of the same Fund Group"</b>	<p>means if the Shareholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an <b>"Investment Fund"</b>) or a nominee of that person:</p> <ul style="list-style-type: none"> <li>a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business);</li> <li>b) any Investment Fund managed by that Fund Manager;</li> <li>c) any Parent Undertaking or Subsidiary Undertaking of that Fund Manager, or any Subsidiary Undertaking of any Parent Undertaking of that Fund Manager; or</li> <li>d) any trustee, nominee or custodian of such Investment Fund and vice versa.</li> </ul>
<b>"Member of the same Group"</b>	means as regards any company other than SE, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Parent Undertaking.
<b>"New Securities"</b>	means any shares (other than Shares issued as a result of the events set out in Article 11.4 and/or shares issued as a result of any of the matters referred to in paragraphs (a) to (e) in the definition of Permitted Securities) or other shares or securities convertible into, or carrying the right to subscribe for those shares, issued by the Company after the date of adoption of these Articles.
<b>"Option Agreements"</b>	has the meaning given to it in the Shareholders Agreement;
<b>"Original Subscription Price"</b>	means the amount paid up or credited as paid up (including premium) for each Preferred Share.

<b>"Ordinary Shares"</b>	means the ordinary shares of £0.00001 each in the capital of the Company.
<b>"Parent Undertaking"</b>	has the meaning given to it in the Act.
<b>"Permitted Transferee"</b>	means: <ul style="list-style-type: none"> <li>a) subject to Investor Consent (i) the Company; and/or (ii) any trustees of any employee benefit trust settled by the Company;</li> <li>b) <i>in relation to a Shareholder who is an individual, any of his Privileged Relations or Trustees;</i></li> <li>c) <i>in relation to a Shareholder which is an undertaking (as defined in section 1161(1) of the Act) means any Member of the same Group;</i></li> <li>d) <i>in relation to a Shareholder which is an Investment Fund means any Member of the same Fund Group;</i></li> <li>e) <i>in relation to an Investor other than SE:</i> <ul style="list-style-type: none"> <li>(i) to any Member of the same Group;</li> <li>(ii) to any Member of the same Fund Group; or</li> <li>(iii) to any nominee of an Investor provided always that such transferee shall hold and continue to hold transferred Shares as nominee of the transferor Investor;</li> </ul> </li> <li>f) <i>in the case of SE, to a member of the SE Group.</i></li> </ul>
<b>"Permitted Securities"</b>	<ul style="list-style-type: none"> <li>a) the grant of options to subscribe for Ordinary Shares under either of the Share Option Plans (and the issue of the shares on exercise of those options);</li> <li>b) the grant of options to subscribe for Preferred Shares under the Subscription Agreement (and the issue of the shares on exercise of those options);</li> <li>c) the grant of options to subscribe for Shares as set out in the Option Agreements;</li> <li>d) any shares which the Company is required to issue by reason of a right specifically attached to Shares under and in accordance with these Articles;</li> </ul> <p>and</p> <ul style="list-style-type: none"> <li>e) the Shares proposed to be issued under clause 3 of the Second Subscription Agreement.</li> </ul>
<b>"Preferred Shares"</b>	means the Preferred Shares of £0.00001 each in the capital of the Company.

<b>"Pre-New Money Valuation"</b>	means the result of multiplying the total number of Ordinary Shares in issue immediately prior to the Listing by the Realisation Price.
<b>"Privileged Relation"</b>	means in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Civil Partner, child or grandchild (including any step or adopted child and their issue).
<b>"Proposed Purchaser"</b>	means a proposed purchaser who at the relevant time has made <i>an offer on arm's length terms</i> ;
<b>"Proposed Sale Date"</b>	has the meaning given in Article 17.3;
<b>"Proposed Sale Notice"</b>	has the meaning given in Article 17.3;
<b>"Proposed Sale Shares"</b>	has the meaning given in Article 17.3;
<b>"Proposed Seller"</b>	means any person proposing to transfer any shares in the capital of the Company;
<b>"Proposed Transfer"</b>	has the meaning given in Article 17.1;
<b>"Qualifying Listing"</b>	a fully underwritten Listing with a price per Ordinary Share of not less than £10.81 and raising gross proceeds of not less than £15,000,000 for New Securities issued provided that in the event of an Issue or Reorganisation (as defined in Article 9) the provisions of Article 9.3 shall be applied to the £10.81 figure in this definition in the same manner as it is applied to the OSP thereunder.
<b>"Realisation Price"</b>	means the value of each Ordinary Share in issue immediately before a Listing, determined by reference to the price per share at which Ordinary Shares in the Company are to be offered for sale, placed or otherwise marketed pursuant to the Listing.
<b>"Relevant Securities"</b>	means any shares or other securities convertible into, or carrying the right to subscribe for those shares, issued by the Company after the date on which these Articles are adopted, but excluding Permitted Securities.
<b>"Sale"</b>	means an Asset Sale or a Share Sale.
<b>"Sale Shares"</b>	means the shares specified or deemed to be specified for sale in a Transfer Notice or Deemed Transfer Notice.
<b>"SE"</b>	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, and any Permitted Transferee thereof acquiring shares in accordance with these Articles.
<b>"SE Group"</b>	SE, any subsidiary for the time being of SE and any company, corporation or other body of persons which shall have acquired the whole or substantially the whole of the undertaking of SE or any subsidiary of such company, corporation or body and any other body to which the statutory functions of SE have been delegated or an SE Successor and the expression "member of the SE Group" shall be construed accordingly.
<b>"SE Successor"</b>	any entity succeeding in whole or in part to the interests of Scottish Enterprise.



<b>"Second Subscription Agreement"</b>	means the subscription agreement entered into between the Company, COP, STI and SE (amongst others) on or around the date of adoption of these Articles, in terms of which COP, STI and SE agreed to subscribe for Preferred Shares.
<b>"Seed Investor Director"</b>	means the director appointed by a Seed Investor Majority in accordance with Article 20.1;
<b>"Seed Investor Majority"</b>	means those Seed Investors holding amongst them at least a majority in nominal value of the Ordinary Shares held by the Seed Investors;
<b>"Seed Investors"</b>	means Robert Lyons, David Lane, Colin Reid, Alistair Dornan and Derek Boyne;
<b>"Seller"</b>	means the transferor of shares pursuant to a Transfer Notice (or a Deemed Transfer Notice).
<b>"Service Agreement"</b>	means the service agreement entered into between the Company and Gordon Cowie on 1 July 2019.
<b>"Settlement Agreement"</b>	means the settlement agreement entered into between the Company and Gordon Cowie (amongst others) on 1 July 2019.
<b>"Shareholders Agreement"</b>	means the shareholders agreement entered into between the Company and the Investors (amongst others) on or around the date of the adoption of these Articles (as amended from time to time).
<b>"Shares"</b>	means the Ordinary Shares, the A Ordinary Shares and the Preferred Shares from time to time.
<b>"Share Option Plans"</b>	means: <ul style="list-style-type: none"> <li>(i) the share options granted to the Founders over an aggregated maximum of 149,500 Preferred Shares in the Company with an exercise price of £2.7027 per Preferred Share;</li> <li>(ii) the proposed grant of options to Frazer Geddes over up to 88,901 Ordinary Shares in the Company with an exercise price of £2.7027 per Ordinary Share to be prepared by the Board with Investor Consent; and</li> <li>(ii) the employee share option plan of the Company to be established providing for options over an aggregated maximum of 332,981 Ordinary Shares in the Company with an exercise price of £6.40768 per Ordinary Share.</li> </ul>

<b>"Share Sale"</b>	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 buyer 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 the shareholders in any acquirer and the proportion of shares so held by each of them following completion of the sale are the same as the shareholders and their shareholdings in the Company immediately before such sale.
<b>"Shareholder"</b>	means a holder of Shares.
<b>"STI"</b>	means Statoil Technology Invest AS, a company registered in Norway under registered number 980 516 229 with an address at Forusbeen 50, 4035 Stavanger, Norway, and any Permitted Transferee thereof acquiring shares in accordance with these Articles.
<b>"Subscription Agreement"</b>	means the subscription agreement entered into between the Company and COP (amongst others) on or around 23 December 2014 in terms of which COP agreed to subscribe for Preferred Shares.
<b>"Subsidiary" and "Subsidiary Undertaking"</b>	shall have the meanings given to them in the Act.
<b>"Technical and Commercial Milestones"</b>	has the meaning given to it in the Service Agreement.
<b>"Termination Date"</b>	<p>means</p> <ul style="list-style-type: none"> <li>a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;</li> <li>b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served</li> <li>c) where an Employee Shareholder dies, the date of his death;</li> <li>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</li> </ul> <p>and in any other case, the date on which the employment agreement is terminated.</p>
<b>"Transfer Notice"</b>	means 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".
<b>"Trustees"</b>	means in relation to a Shareholder means the trustee or the trustees of a Family Trust.

### **3. SHARE CAPITAL**

- 3.1 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.
- 3.2 Except as provided in these Articles, the Preferred Shares, the Ordinary Shares and the A Ordinary Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.
- 3.3 The liability of the Shareholders is limited to the amount, if any, unpaid on the Shares held by them.

### **4. DIVIDENDS**

- 4.1 In any financial year, the Available Profits of the Company shall be used to accrue and pay dividends as set out in, and in accordance with, this Article 4.
- 4.2 Any Available Profits that the Company determines to distribute as a dividend shall be distributed among the holders of the Equity Shares (*pari passu* as if they were one class of share) in proportion to the numbers of Equity Shares held.
- 4.3 Subject to the Act and to these Articles the Board may pay interim dividends if the Available Profits for the relevant period justify such payment.
- 4.4 Each dividend shall be distributed to the appropriate shareholders pro rata according to the number of shares of the relevant class or classes held by them respectively and shall accrue daily (assuming a 365-day year). All dividends are expressed net and shall be paid in cash.

### **5. LIQUIDATION PREFERENCE**

- 5.1 On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or redemption of shares), the assets of the Company remaining after the payment of its liabilities (which shall without limitation include all arrears of dividend, if any, in each case provided such dividends are liabilities of the Company at that time) shall (to the extent that the Company is lawfully able to do so) be applied in the following order of priority:
- 5.1.1 first, in paying to the holders of the Preferred Shares in relation to each Preferred Share held an amount equivalent to the Original Subscription Price per Preferred Share held, and, if there is a shortfall of assets remaining to satisfy the entitlements of holders of Preferred Shares in full, the proceeds shall be distributed to the holders of the Preferred Shares in proportion to the aggregate amounts subscribed by each Preferred Shareholder in respect of their holding of Preferred Shares; and
- 5.1.2 second, in paying to the holders of the A Ordinary Shares in relation to each A Ordinary Share held, the nominal value for such A Ordinary Shares plus the A Ordinary Preferred Return; and
- 5.1.3 third, the balance of such assets shall be distributed amongst the holders of the Equity Shares (*pari passu* as if they constituted the same class) in proportion to the numbers of Equity Shares held by each.

### **6. EXIT PROVISIONS**

- 6.1 The proceeds of a Share Sale shall be distributed in the order of priority set out in Article 5 (and, for the avoidance of doubt, as if the shareholders still held the Shares they sold under the Share Sale). The Directors shall not register any transfer of Shares if the proceeds of sale are not distributed in that manner, provided that, if the proceeds of sale are not settled in their entirety on completion of the Share Sale:

- 6.1.1 the Directors may register the transfer of the relevant shares, provided that the available proceeds have been distributed in the order of priority set out in Article 5; and
- 6.1.2 the Shareholders shall take any action reasonably required by the Investors to ensure that the balance of any proceeds of sale are distributed in the order of priority set out in Article 5.

For the avoidance of doubt the provisions of Article 18.11.1 and 18.11.3 shall apply, mutatis mutandis, in relation to the payment and distribution of the aggregate proceeds on a Share Sale in order that this Article 6.1 is complied with.

- 6.2 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 able to do so) in the order of priority set out in Article 5. 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 reasonably required by the Investors (including (but not limited to) any actions that may be necessary to put the Company into voluntary liquidation or to otherwise wind up its affairs, so that Article 5 may be applied).

6.3 On a Listing:

- 6.3.1 subject to Investor Consent, the Company shall issue to each Preferred Shareholder (or where conversion of Preferred Shares into Ordinary Shares has taken place pursuant to Article 8.3, to each person who was immediately prior to such conversion a Preferred Shareholder) such number of Ordinary Shares such that the proportion which the Ordinary Shares held by that Shareholder (following completion of such issues and the conversion of Preferred Shares into Ordinary Shares in accordance with Article 8) bears to the aggregate number of issued Ordinary Shares following the completion of all such issues and the conversion of all Preferred Shares shall be equal to the proportion that the amount that Shareholder would have been entitled to receive on a Share Sale on that date (subject always to the terms of Article 6.1) would bear to the valuation of the Company at that date (assuming that the valuation of the Company was equal to the Pre-New Money Valuation); and
- 6.3.2 the Ordinary Shares to be issued pursuant to Article 6.3.1 shall be paid up by the automatic capitalisation of any amount standing to the credit of the share premium account or any other available reserve of the Company as determined by the Board and those additional Ordinary Shares shall be issued at par fully paid. The capitalisation shall be automatic and shall not require any action on the part of the Shareholders and the Directors shall allot the Ordinary Shares arising on the capitalisation to the Shareholders entitled to them in accordance with this Article. If the Company is not legally permitted to carry out the foregoing capitalisation, the Company shall allot the maximum number of Ordinary Shares possible to the relevant Preferred Shareholders on a pro rata basis according to their respective entitlements to such capitalised shares and the relevant Preferred Shareholders shall be entitled to subscribe in cash at par for that number of additional Ordinary Shares as would otherwise have been issued pursuant to this Article.

7. **VOTING**

- 7.1 Subject to Articles 16.7 in relation to Restricted Shares, Shares in the Company shall carry votes as follows:
  - 7.1.1 the Preferred Shares shall confer on each holder of such shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company, and each Preferred Share shall carry one vote per share; and
  - 7.1.2 the Ordinary Shares and the A Ordinary Shares shall confer on each holder of Ordinary Shares and A Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company, and each Ordinary Share and A Ordinary Share shall carry one vote per share.

- 7.2 Where Shares confer a right to vote, votes may be exercised:
- 7.2.1 on a show of hands by every holder of Equity Shares and A Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case, each holder holding Equity Shares and/or A Ordinary Shares shall have one vote); or
  - 7.2.2 on a poll by every holder of Equity Shares and A Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case, each holder of Equity Shares and/or A Ordinary Shares shall have one vote for each such share held).

## 8. CONVERSION OF PREFERRED SHARES

- 8.1 Any holder of Preferred Shares may at any time subject to Investor Consent, by notice in writing to the Company, require conversion of all of the Preferred Shares held by that Shareholder into Ordinary Shares. Those Preferred Shares shall convert automatically on the date that the holder of those Preferred Shares requires a conversion (a "**Conversion Date**").
  - 8.2 All of the Preferred Shares shall automatically convert into Ordinary Shares immediately upon a notice in writing given to the Company by each of the Investors requiring conversion of all of the Preferred Shares. Those Preferred Shares shall convert automatically on the date specified by the Investors in such notice (a "**Conversion Date**").
  - 8.3 All of the Preferred Shares shall automatically convert into Ordinary Shares immediately before but conditional upon the occurrence of a Qualifying Listing (the "**Conversion Date**").
  - 8.4 In the case of:
    - 8.4.1 Article 8.1 and 8.2, at least five Business Days after the Conversion Date; or
    - 8.4.2 in the case of Article 8.3, at least five Business Days before the date of the Qualifying Listing
- each holder of the relevant Preferred Shares shall deliver the certificate (or an indemnity in a form reasonably satisfactory to the Board for any lost share certificate) for the shares being converted (together with such other evidence (if any) as the Board may reasonably require to prove good title to those shares) to the Company at its registered office for the time being.
- 8.5 Where conversion of Preferred Shares is mandatory on the occurrence of a Qualifying Listing, that conversion shall be effective only immediately before such Qualifying Listing (and "**Conversion Date**" shall be construed accordingly). If such Qualifying Listing does not become effective, or does not take place, such conversion shall be deemed not to have occurred.
  - 8.6 Subject always to the terms of Article 6.3, on the Conversion Date, the relevant Preferred Shares shall (without any further authority than that contained in these Articles) stand converted into Ordinary Shares on the basis of one Ordinary Share for each Preferred Share held and the Ordinary Shares resulting from the conversion shall rank *pari passu* in all other respects with the existing issued Ordinary Shares.
  - 8.7 On the Conversion Date, the Company shall enter the holder of the converted Preferred Shares in the register of members of the Company as the holder of the appropriate number of Ordinary Shares and, subject to the relevant holder of Preferred Shares delivering the relevant share certificate (or indemnity or other evidence) in respect of the Preferred Shares in accordance with this Article 8, the Company shall, within 5 Business Days of the Conversion Date, forward a definitive share certificate for the appropriate number of fully paid Ordinary Shares to such holder of Preferred Shares by post to his address as shown in the register of Shareholders, at his own risk and free of charge.

9. **ANTI-DILUTION**

- 9.1 If New Securities are issued by the Company at a price per New Security which is less than the OSP (as defined below) (with such issue being a **"Qualifying Issue"**) (which in the event that the New Security is not issued for cash shall be a price determined by the Company's auditors (acting as experts and not as arbitrators) as being, in their opinion, the current cash value of the consideration for the allotment of the New Securities) then the Company shall (unless and to the extent that the Investors have specifically waived their rights pursuant to this Article 9) issue to each Investor (**"the Exercising Investor"**) such number of new Preferred Shares by applying the formula below (and rounding the product, N, down to the nearest whole share), subject to adjustment as certified in accordance with Article 8 (**"the Anti-Dilution Shares"**):

$$N = ((OSP/WA) \times Z) - Z$$

Where:

- N:** the number of Anti-Dilution Shares to be issued to the Exercising Investor.
- DRP:** the lowest price per share of the Qualifying Issue.
- NS:** the number of New Securities issued pursuant to the Qualifying Issue.
- OSP:** £6.40768 (as adjusted by Article 9.3).
- SC:** the number of Equity Shares in issue plus the aggregate number of Equity 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:**  $((OSP \times SC) + (DRP \times NS)) / (SC + NS)$ .
- Z:** the number of Preferred Shares subscribed by the Exercising Investor (by cash or conversion of debt) at a price equal to or in excess of OSP.

9.2 The Anti-Dilution Shares shall:

- 9.2.1 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 Investors 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 Board being not less than the nominal value). If there is any dispute between the Company and any Exercising Investor as to the effect of Article 9.1, the matter shall be referred (at the cost of the Company) to the Company's auditors for determination of the number of Anti-Dilution Shares to be issued. The auditor's determination of the matter shall, in the absence of manifest error, be final and binding on the Company and the Exercising Investor; and
- 9.2.2 subject to the payment of any cash payable pursuant to Article 9.2.1 (if applicable), be issued, credited fully paid up in cash and shall rank pari passu in all respects with the existing Preferred Shares.

- 9.3 In the event of any Issue or Reorganisation the OSP (having the meaning given to it in Article 9.1 above) shall also be subject to adjustment on such basis as may be agreed by the Company with the Investors within 10 Business Days after any Issue or Reorganisation. If the Company and the Investors cannot agree such adjustment it shall be referred to the Company's auditors 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 Company's auditors shall be borne by the Company.

- 9.4 In this Article 9, **"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 (other than a capitalisation

issue in substitution for, or as an alternative to, a cash dividend which is made available to the holders of Preferred Shares or a capitalisation issue made in accordance with this Article 9), any consolidation or sub-division or any repurchase or redemption of shares, or any variation in the subscription price or conversion rate applicable to any other outstanding rights over shares in the Company.

- 9.5 For the avoidance of any doubt, the application of this Article 9 may be applied more than once. All references in this Article to **"Preferred Shares"** shall be deemed to include any Ordinary Shares which were previously Preferred Shares and have been converted into Ordinary Shares (such that they will be considered Preferred Shares), but the Anti-Dilution Shares issued pursuant to this Article shall always be Preferred Shares.

## 10. **VARIATION OF RIGHTS**

- 10.1 The special rights attached to the Preferred Shares in these Articles 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 87% in nominal value of the issued shares of that class.

- 10.2 No voting rights attached to a share which is nil paid may be exercised:

10.2.1 at any general meeting, at any adjournment of it or at any poll called at or in relation to it; or

10.2.2 on any proposed written resolution

unless all or some of the amounts payable to the Company in respect of that share have been paid.

## 11. **Further issues of Shares: pre-emption**

- 11.1 In accordance with section 568 of the Act, sections 561 and 562 of the Act shall not apply to an allotment of Equity Securities made by the Company.

- 11.2 Unless otherwise agreed by special resolution passed in accordance with section 283 of the Act with Investor Consent, 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 the holders of Preferred Shares on the same terms, and at the same price, as those Relevant Securities are to be offered to those other persons, on a pari passu and pro rata basis in proportion to the number of Preferred Shares held by the holders of the Preferred Shares (as nearly as possible without involving fractions). The offer:

11.2.1 shall be in writing, and give details of the number and subscription price of the Relevant Securities; and

11.2.2 may stipulate that any holder of Preferred Shares who wishes to subscribe for a number of Relevant Securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess Relevant Securities (**"Excess Securities"**) for which he wishes to subscribe.

- 11.3 Any Relevant Securities not accepted by holders of Preferred Shares pursuant to the offer made to them in accordance with Article 11.2 within 20 Business Days of receiving such offer, shall be used for satisfying any requests for Excess Securities made pursuant to Article 11.2. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata in proportion to the number of Preferred Shares held by the applicants immediately before the offer was made to the holders of Preferred Shares in accordance with Article 11.2 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any holder of Preferred Shares beyond that applied for by him).

- 11.4 The provisions of Article 11.2 to Article 11.3 shall not apply to Equity Shares or, in the case of Article 11.4.6 below, A Ordinary Shares, issued or granted in order for the Company to comply with its obligations under these Articles including:
- 11.4.1 the Anti-Dilution Shares referred to in Article 9;
  - 11.4.2 Shares issued in compliance with Article 6.3;
  - 11.4.3 Shares issued in consideration of the acquisition by the Company of any company or business which has Investor Consent;
  - 11.4.4 Shares which the Board have agreed in writing should be issued without complying with the procedure set out in this Article 11;
  - 11.4.5 Shares issued as a result of a bonus issue of shares which has been approved in writing by the Investors; and
  - 11.4.6 Shares issued to the Founders pursuant to Article 11.5.
- 11.5 If the Board intends to issue Relevant Securities and/or Permitted Securities and, following the issue of such Relevant Securities and/or Permitted Securities, the Shares held by a Founder would entitle a Founder to less than five per cent (5)% of the total voting rights of all Shares or to Shares representing less than 5% of the total nominal value of the Shares then, save where a Permitted Transferee holds Shares which they have received by way of a transfer from the relevant Founder in which case the Founder shall require to acquire such Shares from the Permitted Transferee prior to this article having effect and the Founder's holding for the remaining purposes of this Article 11.5 shall be deemed to include the shareholding of such Permitted Transferee(s), the Board will not issue such Relevant Securities and/or Permitted Securities unless a Founder has been given the opportunity to purchase (simultaneous with the issue of Relevant Securities and/or Permitted Securities pursuant to Article 11) A Ordinary Shares at the greater of (i) nominal value and (ii) the aggregate sum of £1.00, that would (if such A Ordinary Shares were in issue following the issue of the Relevant Securities and/or Permitted Securities) entitle such Founder to not less than five per cent (5)% of the total voting rights of all Shares and to Shares representing not less than 5% of the total nominal value of the Shares.
- 11.6 An offer pursuant to Article 11.5 shall be made by notice specifying the number of A Ordinary Shares offered, and a time (being not less than 14 days) within which the offer, if not accepted, shall be deemed to be declined. At the end of that period or, if earlier, on the receipt of an indication from the person(s) to whom such notice is given that he/they decline(s) to accept some or all of the A Ordinary Shares, it shall (to the extent that any A Ordinary Shares remain unaccepted) be deemed to have been withdrawn.
- 11.7 No Shares shall be allotted to any employee, Director, prospective employee or director unless such person has entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003 ("Section 431 Election").
- 11.8 Notwithstanding the terms of this Article 11, the Board may from time to time elect to allot Relevant Securities to holders of all Equity Shares, in which case the terms of Articles 11.2 to 11.6 shall apply to such issue *mutatis mutandis*, but replacing the word "Preferred" with the word "Equity".
- 12. TRANSFER OF SHARES**
- 12.1 In Article 12, Article 13, Article 14, Article 16, Article 17 and Article 18, reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.
- 12.2 No Share may be transferred unless the transfer is made in accordance with these Articles.



- 12.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have served a Transfer Notice immediately in respect of all Shares held by him.
- 12.4 Any transfer of a Share by way of sale that is required to be made under Article 12, Article 13, Article 14, Article 16, Article 17 and Article 18 shall be deemed to include a warranty that the transferor sells the Share free from any Encumbrance.
- 12.5 In addition to the provisions of Regulation 24 of Table A, the Directors may refuse to register a transfer if:
- 12.5.1 it is a transfer of a share to a bankrupt, a minor or a person of unsound mind; or
- 12.5.2 the transfer is to an employee, Director or prospective employee or director and that person has not entered into a Section 431 Election with the Company.

Regulation 24 of Table A shall be modified accordingly.

- 12.6 The Directors may, as a condition to the registration of any transfer of shares in the Company, require the transferee to execute and deliver to the Company a deed agreeing to be bound by the *terms of any shareholders' agreement (or similar document) in force between any of the Shareholders and the Company in such form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document)*. If any condition is imposed in accordance with this Article 12.6, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- 12.7 To enable the Directors to determine whether or not there has been any disposal of shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these Articles, the Directors may, and shall if so requested in writing by an Investor Director, require any holder, or the legal personal representatives of any deceased holder, or any person named as transferee in any transfer lodged for registration or any other person who the Directors or the Investor Directors may reasonably believe to have information relevant to that purpose, to provide the Company with any information and evidence that the Directors reasonably request regarding any matter which they deem relevant to that purpose. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such shares in the capital of the Company in writing of that fact and the following shall occur:
- 12.7.1 the relevant shares shall cease to confer on the holder of them (or any proxy) any rights to vote, whether on a show of hands or on a poll, and whether exercisable at a general meeting of the Company or at any separate meeting of the class in question. These rights shall not cease if, as a result of such cessation, the Company would become a Subsidiary of an Investor; or
- 12.7.2 the holder may be required, at any time following receipt of the notice, to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder.

The rights referred to in Article 12.7 may be reinstated by the Board or, if earlier, shall be reinstated on the completion of any transfer referred to in Article 12.7.2.

- 12.8 Where the Board requires a Transfer Notice to be given (which is in accordance with these Articles) in respect of any Shares, if a Transfer Notice is not duly given within 10 Business Days of demand being made, a Deemed Transfer Notice shall be given at the end of that period. If a Transfer Notice is required to be given in accordance with these Articles, or is deemed to have been given, in accordance with these Articles, the Transfer Notice shall be treated as having specified that:

12.8.1 the Transfer Price (as defined in Article 14.2) for the Sale Shares shall be as agreed between the Board (any Director with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement within 5 Business Days after the date on which the Board becomes aware that a Deemed Transfer Notice has been given, the Transfer Price shall be the fair value (as determined in accordance with Article 15) of the Sale Shares;

12.8.2 whether there is a Minimum Transfer Condition (as defined in Article 14.2.4); and

12.8.3 the Seller wishes to transfer all of the Shares held by it.

### 13. **PERMITTED TRANSFERS**

13.1 A Shareholder (the "**Original Shareholder**") may transfer all or any of his or its Equity Shares to a Permitted Transferee without restriction as to price or otherwise.

13.2 Notwithstanding any other provision of these Articles, a Founder may only transfer any A Ordinary Shares with the approval of the Board.

13.3 Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise. Shares previously transferred as permitted by this Article 13.3 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.

13.4 If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares.

13.5 If a Permitted Transferee who was a Member of the same Fund Group as the Original Shareholder ceases to be a Member of the same Fund Group, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Fund Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to give a Transfer Notice in respect of such Shares.

13.6 If a Permitted Transferee who was a nominee of the Original Shareholder ceases to hold Shares as nominee for the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Fund Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to give a Transfer Notice in respect of such Shares.

13.7 Trustees may (i) transfer Shares to a company in which they hold the whole of the share capital and which they control (a "**Qualifying Company**") or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.

13.8 No transfer of Shares may be made to Trustees unless the Board is satisfied:

13.8.1 with the terms of the trust instrument and in particular with the powers of the trustees;

13.8.2 with the identity of the proposed trustees;

- 13.8.3 the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
- 13.8.4 that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.
- 13.9 If a company to which a Share has been transferred under Article 13.8, ceases to be a Qualifying Company it must within five Business Days of so ceasing, transfer the Shares held by it to the Trustees or to a Qualifying Company (any may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such Shares.
- 13.10 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise they must, within 45 days of so ceasing either:
  - 13.10.1 execute and deliver to the Company a transfer of the Shares held by them to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
  - 13.10.2 give a Transfer Notice to the Company in accordance with Article 14.2
 failing which they shall be deemed to have given a Transfer Notice.
- 13.11 On the death (subject to Article 13.3), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within 45 days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.
- 13.12 Subject always to complying in full with the terms of Article 17 (Mandatory offer on a change of control), a transfer of any Shares approved by the Board (in writing) may be made without restriction as to price or otherwise and each such transfer shall be registered by the Directors.
- 14. **TRANSFER OF SHARES SUBJECT TO PRE-EMPTION RIGHTS**
- 14.1 Except where the provisions of Article 13, Article 16, Article 17 and Article 18 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this Article 14.
- 14.2 A Seller shall, before transferring or agreeing to transfer any Shares, give notice in writing (a **"Transfer Notice"**) to the Company specifying:
  - 14.2.1 the number of Sale Shares;
  - 14.2.2 if he wishes to sell the Sale Shares to a third party, the name of the Proposed Purchaser;
  - 14.2.3 the price (in cash) at which he wishes to transfer the Sale Shares (which may if he so chooses be a reference to the fair value determined in accordance with Article 15) (**"Transfer Price"**); and
  - 14.2.4 whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold (**"Minimum Transfer Condition"**).

14.3 Once given (or deemed to have been given under) these Articles, a Transfer Notice may not be withdrawn except (a) with Board approval, or (b) save in the case of a Deemed Transfer Notice, in accordance with Article 15.6.

14.4 A Transfer Notice appoints the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

14.5 As soon as practicable following the later of:

14.5.1 receipt of a Transfer Notice; or

14.5.2 where the Transfer Price has not been specified, or a Deemed Transfer Notice has been served, the determination of the Transfer Price under Article 15

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Article 14.6 to Article 14.8. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

14.6 The Company shall offer the Sale Shares in the following priority:

14.6.1 first, (a) in respect of Shares held by an Employee Shareholder or former Employee Shareholder (or by a Permitted Transferee of the foregoing), to the other Employee Shareholders pro rata in the proportion that each holder's existing holding of Equity Shares bears to the total number of Equity Shares held by the Employee Shareholders (except the transferor), or (b) in respect of Shares held by a Seed Investor (or by a Permitted Transferee of a Seed Investor), to the other Seed Investors pro rata in the proportion that each holder's existing holding of Equity Shares bears to the total number of Equity Shares held by the Seed Investors (except the transferor), or (c) in respect of Equity Shares held by an Investor to the other Investors pro rata in the proportion that each Investor's existing holding of Equity Shares bears to the total number of Equity Shares held by the Investors (except the transferor); and

14.6.2 second, at the Company's option either to (i) the Company; and/or (ii) any employee benefit trust settled by the Company; and

14.6.3 third as the Board shall determine,

in each case on the basis as set out in Article 14.7 and Article 14.8.

14.7 The Board shall offer the Sale Shares in the priority referred to in Article 14.6, to all relevant shareholders ("**Continuing Shareholders**"), inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (inclusive) ("**First Offer Period**") for the maximum number of Sale Shares they wish to buy.

If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under Article 14.7 and Article 14.8 shall be conditional on the fulfilment of the Minimum Transfer Condition.

If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder in the priority referred to in Article 14.6 (on the understanding that the Continuing Shareholders who hold Preferred Shares shall be allocated Sale Shares in the proportion which his existing holding of Preferred Shares bears to the total number of Preferred Shares held by those Continuing Shareholders who hold Preferred Shares and have applied for Sale Shares). Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.

If only some of the Sale Shares are allocated in accordance with this Article 14.7, but there are applications for Sale Shares that have not been satisfied, those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in this Article 14.7 and 14.8.

If, at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (Initial Surplus Shares, being the difference between the number of Sale Shares and the number of Sale Shares applied for, but on the understanding that if no Sale Shares are applied for there shall be no Initial Surplus Shares) shall be dealt with in accordance with Article 14.8. If at the end of the First Offer Period no Sale Shares have been applied for, the Board shall give written notice of that fact to the Continuing Shareholders (a No Shares Applied For Notice) within 10 Business Days of the expiry of the First Offer Period and the provisions of Article 14.12 shall apply.

- 14.8 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to all the Continuing Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the date of the offer (inclusive) ("**Second Offer Period**") for the maximum number of Initial Surplus Shares they wish to buy.

If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the Board shall allocate the remaining Initial Surplus Shares to each Continuing Shareholder in the priority referred to in Article 14.6 (on the understanding that the Continuing Shareholders who hold Preferred Shares shall be allocated Sale Shares in the proportion that his existing holding of Preferred Shares (including Sale Shares allocated under Article 14.7) bears to the total number of Preferred Shares (including Sale Shares) held by those Continuing Shareholders who hold Preferred Shares and have applied for Initial Surplus Shares during the Second Offer Period). Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.

If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications. The balance ("**Second Surplus Shares**", being the difference between the number of Initial Surplus Shares and the number of Initial Surplus Shares applied for, but on the understanding that if no Initial Surplus Shares are applied for there shall be no Second Surplus Shares) shall be offered by the Company at the Board's option to either (i) the Company; and/or (ii) any trustees of any employee benefit trust settled by the Company inviting them to apply in writing within 15 Business Days after the offer (inclusive) ("**Third Offer Period**") for the maximum number of Second Surplus Shares they wish to buy. If, at the end of the Third Offer Period, the total number of Second Surplus Shares applied for is equal to or less than the number of Second Surplus Shares, the number of Second Surplus Shares applied for shall be allocated to (i) the Company; and/or (ii) any trustees of any employee benefit trust settled by the Company who have applied for them and the balance (if any) ("**Surplus Shares**") will be offered to any other person in accordance with Article 14.12. If the number of Second Surplus Shares applied for exceeds the number of Second Surplus Shares, the Board shall allocate the Second Surplus Shares to (i) the Company; and/or (ii) any trustees of any employee benefit trust settled by the Company in their discretion, acting reasonably. No allocation shall be made to the Company or any trustees of any employee benefit trust settled by the Company of more than the maximum number of Sale Shares which they have stated they are willing to buy.

- 14.9 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares, the Board shall notify the Continuing Shareholders within 10 Business Days of the expiry of the Third Offer Period or the Second Offer Period (where there isn't a Third Offer Period) stating that the Minimum Transfer Condition has not been met ("**MTC's Not Met**").

- 14.10 If:

14.10.1 the Transfer Notice does not include a Minimum Transfer Condition; and

14.10.2 allocations have been made in respect of all the Sale Shares

the Board shall, when no further offers are required to be made under Article 14.7 and Article 14.8, give written notice of allocation ("**Allocation Notice**") to the Seller and each Shareholder or other

person to whom Sale Shares have been allocated ("**Applicant**"). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (being not less than 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice).

- 14.11 On the service of an Allocation Notice, the Seller shall, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.

If the Seller fails to comply with this Article 14.11:

- 14.11.1 the Chairman of the Company (or, failing him, one of the Directors, or some other person nominated by a resolution of the Board) may, on behalf of the Seller:

- (a) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
- (b) receive the Transfer Price and give a good discharge for it; and
- (c) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and

- 14.11.2 the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company.

- 14.12 If:

- 14.12.1 an Allocation Notice does not relate to all the Sale Shares; or

- 14.12.2 the Board have issued a 'No Shares Applied For Notice' to the Continuing Shareholders pursuant to Article 14.7; or

- 14.12.3 the Board have advised the Continuing Shareholders in accordance with Article 14.9 that the MTC's Not Met;

then, subject to Article 14.16 and within 8 weeks following service of the notice referred to in Articles 14.12.1 to 14.12.3, the Seller shall be entitled to transfer the unallocated Sale Shares to a Proposed Purchaser at a price at least equal to the Transfer Price, provided always that the Seller has complied with the procedures set out in Articles 14.13 to 14.15. The sale of the unallocated Sale Shares shall continue to be subject to any Minimum Transfer Condition.

- 14.13 The Seller shall give to each holder of each Preferred Share (a "**Preferred Shareholder**") not less than 10 Business Days' notice in advance of a proposed sale of the unallocated Sale Shares (a "**Co-sale Notice**"). The Co-sale Notice shall specify.

- 14.13.1 the identity of the Proposed Purchaser;

- 14.13.2 the price per share which the Proposed Purchaser is proposing to pay;

- 14.13.3 the manner in which the consideration is to be paid;

- 14.13.4 the number of unallocated Sale Shares which the Seller proposes to sell; and

- 14.13.5 the total number of Shares held by the Seller, his/her Privileged Relations and Trustees and any shareholder in relation to whom the Seller is a Privileged Relation or Trustee.

- 14.14 Each Preferred Shareholder shall be entitled, within 10 Business Days after receipt of the Co-Sale Notice, to notify the Seller that they wish to sell a certain number of Preferred Shares held by them

at the proposed sale price, by sending a notice ("**a Counter Notice**") which shall specify the number of Preferred Shares which such Preferred Shareholder wishes to sell. The maximum number of shares which a Preferred Shareholder can sell under this procedure shall be:

$$\left[ \frac{A}{B} \right] \times C$$

where

**A** is the number of Preferred Shares held by the Preferred Shareholder

**B** is the total number of Preferred Shares in issue

**C** is the number of unallocated Sale Shares that the Seller proposes to sell.

Any Preferred Shareholder who does not send a Counter Notice within such 10 Business Day period shall be deemed to have specified that they wish to sell no Preferred Shares.

14.15 Following the expiry of the 10 Business Day period referred to in Article 14.14, the Seller shall be entitled to sell to the Proposed Purchaser on the terms notified to the Preferred Shareholders in the Co-Sale Notice a number of shares not exceeding the number specified in the Co-sale Notice less any Preferred Shares which Preferred Shareholders have indicated they wish to sell, provided that at the same time the Proposed Purchaser purchases from the Preferred Shareholders the number of Preferred Shares they have respectively indicated they wish to sell on terms no less favourable than those obtained by the Seller from the Proposed Purchaser.

14.16 The Seller's right to transfer Shares under Article 14.12 does not apply if the Board reasonably considers that:

14.16.1 the transferee is a person (or a nominee for a person) who the Board determine, in their absolute discretion, is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company; or

14.16.2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or

14.16.3 the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board to enable it to form the opinion mentioned above.

14.17 The restrictions imposed by this Article 14 may be waived in relation to any proposed transfer of Shares with approval from the Board

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

## 15. VALUATION OF SHARES

15.1 If no Transfer Price is specified in a Transfer Notice, or if a Deemed Transfer Notice is served, then, on service of the Transfer Notice or, in the case of a Deemed Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to the service of such a notice, the Board shall appoint an Independent Expert to determine the fair value of the Sale Shares.

15.2 The aggregate value of all A Ordinary Shares in issue shall be £1 and the remaining provisions of this Article 15 shall be read such that if any Sale Shares include any A Ordinary Shares such valuation shall be applied to such A Ordinary Shares accordingly.

15.3 The fair value of the Sale Shares shall be determined by the Independent Expert on the following assumptions and bases:

- 15.3.1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;
  - 15.3.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - 15.3.3 that the Sale Shares are capable of being transferred without restriction;
  - 15.3.4 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent provided that the Independent Expert shall take into account when determining the fair value of the Sale Shares the distribution priorities in accordance with Articles 5 and 6; and
  - 15.3.5 reflect any other factors which the Independent Expert reasonably believe should be taken into account.
- 15.4 The Independent Expert shall be requested to determine the fair value within 20 Business Days of their appointment and notify the Board of their determination.
- 15.5 Subject to any confidentiality provisions, the Independent Expert may have access to all accounting records or other relevant documents of the Company.
- 15.6 The Independent Expert shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Deemed Transfer Notice the Seller may by notice in writing to the Company within five Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.
- 15.7 The cost of obtaining the certificate shall be paid by the Company unless:
- 15.7.1 the Seller cancels the Company's authority to sell; or
  - 15.7.2 the sale is pursuant to a Transfer Notice which is deemed to have been served, and the Sale Price certified by the Independent Expert is less than the price (if any) offered by the directors to the Seller for the Sale Share before the Independent Expert was instructed
- in which case the Seller shall bear the cost.
- 15.8 The Independent Expert's determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 16. COMPULSORY TRANSFERS**
- 16.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be regarded as giving a Deemed Transfer Notice in relation to such Share at such time as the Directors determine.
- 16.2 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder either:
- 16.2.1 to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer); or
  - 16.2.2 to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder.



If either requirement in this Article 16.2 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that, the Directors may otherwise determine.

16.3 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it (or a material part of its assets) other than where the Board are satisfied such event occurs as part of a bona fide reconstruction, the relevant Shareholder (and all its Permitted Transferees) shall be regarded as giving a Deemed Transfer Notice in respect of all Shares held by the relevant Shareholder and its Permitted Transferees at such time as the Directors determine (save to the extent that the Directors may otherwise determine).

16.4 If an Employee Shareholder becomes a Departing Employee Shareholder and is a Bad Leaver that Departing Employee Shareholder shall be deemed to have:-

16.4.1 given a Deemed Transfer Notice in respect of all the Shares held by (i) the Departing Employee Shareholder; and (ii) their Permitted Transferees (provided the Shares held by those Permitted Transferees had been held by the Departing Employee Shareholder at one time) on the Termination Date. In such circumstances the Transfer Price applicable shall be 50% of the fair value of the Sale Shares determined in accordance with Article 15; and

16.4.2 agreed that any and all share option rights held by the Departing Employee Shareholder over Shares in the Company shall have forthwith lapsed and be terminated.

16.5 If an Employee Shareholder becomes a Departing Employee Shareholder and is a Fault Leaver that Departing Employee Shareholder shall be deemed to have:-

16.5.1 given a Deemed Transfer Notice in respect of all the Shares held by (i) the Departing Employee Shareholder; and (ii) their Permitted Transferees (provided the Shares held by those Permitted Transferees had been held by the Departing Employee Shareholder at one time) on the Termination Date. In such circumstances the Transfer Price applicable shall be the lower of 50% of the fair value of the Sale Shares determined in accordance with Article 15 or (ii) the aggregate sum subscribed for the Sale Shares; and

16.5.2 agreed that any and all share option rights held by the Departing Employee Shareholder over Shares in the Company shall have forthwith lapsed and be terminated.

For the avoidance of doubt if an Employee Shareholder becomes a Departing Employee Shareholder and is a Good Leaver the provisions of Articles 16.4 to Article 16.6 shall not apply to them.

16.6 The Departing Employee Shareholder's Shares and the Shares held by any of their Permitted Transferees (provided the Shares held by those Permitted Transferees had been held by the Departing Employee Shareholder at one time) shall be offered in the following order of priority:

16.6.1 firstly, to the other Employee Shareholders pro rata in the proportion that each holder's existing holding of Equity Shares bears to the total number of Equity Shares held by the Employee Shareholders (except the transferor);

16.6.2 secondly, such number of such Shares (if any) as is determined by the Board to a person (or persons) commencing the Departing Employee Shareholder's office of employment (or taking on all or part of the responsibilities thereof) and / or commencing or fulfilling another role as an executive or senior employee of the Company, conditionally on such person(s) commencing their employment / amended role with the Company; and

16.6.3 thirdly, at the Company's option either to (i) the Company; and/or (ii) any employee benefit trust settled by the Company; and

16.6.4 fourthly, as the Board shall determine.

- 16.7 All voting rights attached to a Departing Employee Shareholder's Shares and the Shares held by any of their Permitted Transferees (provided the Shares held by those Permitted Transferees had been held by the Departing Employee Shareholder at one time), 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.
- 16.8 Where a dispute arises as to whether a Departing Employee Shareholder has been made redundant, unfairly dismissed or constructively dismissed any Deemed Transfer Notice shall be deemed to be suspended until the earlier of the first anniversary of the Deemed Transfer Notice being served (the "**Backstop Date**") or the determination by a tribunal on the matter (the "**Judgement Date**") in which case (a) the time periods in respect of such Deemed Transfer Notice shall commence from the earlier of the Backstop Date or the Judgement Date if the Leaver is determined to be a Bad Leaver or (b) the Deemed Transfer Notice shall be deemed withdrawn if the Leaver is determined to be a Good Leaver on the Judgement Date (provided that the Judgement Date falls before the Backstop Date) however in each case the voting rights attached to the Departing Employee Shareholder's Shares and those of any Permitted Transferee of a Departing Employee Shareholder who holds Shares shall be suspended from the Termination Date pursuant to Article 16.7.
- 16.9 Voting rights suspended by Article 16.7 shall be automatically restored before a Listing.
- 16.10 All voting rights attached to the Restricted Shares transferred under this Article 16 shall be automatically restored on completion of a transfer completed pursuant to this Article.
17. **MANDATORY OFFER ON A CHANGE OF CONTROL**
- 17.1 Except in the case of any transfers to Permitted Transferees and transfers pursuant to Article 16, the provisions of Article 17.2 shall apply, following the application of the pre-emption procedure set out in Article 14, if one or more Proposed Sellers propose to transfer in one or a series of related transactions any Shares (the "**Proposed Transfer**") which would, if put into effect, result in any Proposed Purchaser (and Associates of his or persons Acting in Concert with him) acquiring a Controlling Interest in the Company.
- 17.2 A Proposed Seller must, before making a Proposed Transfer procure the making by the Proposed Purchaser of an offer (the "**Offer**") to the other Shareholders to acquire all of the Company's Shares for a consideration per Equity Share the value of which is at least equal to the Specified Price (as defined in Article 17.7) and per A Ordinary Share as set out in Article 15.2 but for the avoidance of doubt the application of Article 17.8 shall apply in relation to the distribution of proceeds under the Offer provided a Share Sale occurs.
- 17.3 The Offer must be given by written notice (a "**Proposed Sale Notice**") at least 15 Business Days (the "**Offer Period**") prior to the proposed sale date ("**Proposed Sale Date**"). The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number and class of Shares proposed to be purchased by the Proposed Purchaser (the "**Proposed Sale Shares**").
- 17.4 If any other holder of Shares is not given the rights accorded to him by this Article 17, the Proposed Sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect.
- 17.5 If the Offer is accepted by any Shareholder (an "**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders.
- 17.6 The Proposed Transfer is subject to the pre-emption provisions of Article 14 but the purchase of the Accepting Shareholders' Shares shall not be subject to Article 14.
- 17.7 For the purpose of this Article:

17.7.1 the expression "**transfer**" and "**purchaser**" shall include the renunciation of a renounceable letter of allotment and the renounee under any such letter of allotment respectively;

17.7.2 the expression "**Specified Price**" shall mean in respect of each Equity Share a sum in cash equal to the highest price per Equity Share offered or paid by the Proposed Purchaser:

(a) in the Proposed Transfer; or

(b) in any related or previous transaction by the Proposed Purchaser or any person Acting in Concert with the Proposed Purchaser in the 12 months preceding the date of the Proposed Transfer

plus an amount equal to the Relevant Sum, as defined in Article 17.7.3, of any other consideration (in cash or otherwise) paid or payable by the Proposed Purchaser or any other person Acting in Concert with the Proposed Purchaser, 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 for the Equity Shares (the "**Supplemental Consideration**");

17.7.3 Relevant Sum =  $C \div A$

where: A = number of Equity Shares being sold in connection with the relevant Proposed Transfer;

C = the Supplemental Consideration.

17.8 For the avoidance of any doubt the consideration payable under the Offer will be distributed in accordance with the provisions of Articles 5 and 6 provided a Share Sale occurs.

## 18. **DRAG ALONG**

18.1 If (i) holders of at least 87% of the then outstanding Preferred Shares ("**Selling Shareholders**") wish to transfer all of their interests in Equity Shares ("**Sellers' Shares**") to a Proposed Purchaser (who is not an Associate of any Selling Shareholders), and (ii) the Board approve such transfer, then the Selling Shareholders may require all the other holders of Shares ("**Called Shareholders**") to sell and transfer all their Shares to the Proposed Purchaser (or as the Proposed Purchaser directs) in accordance with the provisions of this Article ("**Drag Along Option**").

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

18.2.1 the Called Shareholders are required to transfer all their Shares ("**Called Shares**") pursuant to this Article 18;

18.2.2 the person to whom the Called Shares are to be transferred;

18.2.3 the consideration payable for the Called Shares calculated in accordance with Article 18.4; and

18.2.4 the proposed date of the transfer.

18.3 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 40 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.

- 18.4 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 to receive if the total consideration proposed to be paid by the Proposed Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Articles 5 and 6.
- 18.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 18.
- 18.6 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless all of the Called Shareholders and the Selling Shareholders agree otherwise.
- 18.7 The rights of pre-emption set out in these Articles shall not apply to any transfer of shares to a Proposed Purchaser (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served.
- 18.8 Within five Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or a suitable indemnity in lieu thereof) to the Company.
- 18.9 On the expiration of that five Business Day period the Proposed Purchaser shall pay the consideration due pursuant to Article 18.4 to the Vendors Solicitors (as defined below) whose receipt for such amounts shall be a good discharge to the Proposed Purchaser.
- 18.10 To the extent that the Proposed Purchaser has not, on the expiration of the five Business Day period referred to in Article 18.8, put the Vendors Solicitors (as defined below) in funds to pay the consideration due pursuant to Article 18.4, the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this Article 18 in respect of the Drag Along Notice in question.
- 18.11
- 18.11.1 The aggregate consideration payable to the Called Shareholders and the Selling Shareholders shall be paid to the legal agents for the Selling Shareholders ("**the Vendors Solicitors**") who shall distribute such funds in accordance with the provisions of Articles 5 and 6.
- 18.11.2 If any Called Shareholder fails to deliver stock transfer forms and share certificates (or suitable indemnity) for all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be their agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Vendors Solicitors (on trust for such holder) of the consideration payable for the Called Shares, deliver such transfer(s) to the Proposed Purchaser (or as they may direct) as the holder thereof.
- 18.11.3 Any payment received by any Shareholder which exceeds that which it is entitled to receive pursuant to Articles 5, 6 and 18.4 shall be deemed to be held by them on trust for the benefit of the other Shareholders and all Shareholders shall ensure that the provisions of Articles 5, 6 and 18.4 are given full effect to by forthwith transferring the relevant excess to the Company who shall then account to the other Shareholders as is required in accordance with Articles 5, 6 and 18.4.
- 18.12 After the Proposed Purchaser (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of Shares under this Article 18. Upon the defaulting Called Shareholder surrendering his share certificate for his Shares (or providing a suitable indemnity) to the Company, he shall be entitled to the amount due to him pursuant to Article 18.4.

- 18.13 Following the issue of a Drag Along Notice, on any person becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company or on 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. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Purchaser (or as the Proposed Purchaser may direct) and the provisions of this Article 18 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.

19. **NUMBER OF DIRECTORS**

Unless and until the Company in general meeting determines otherwise, the number of directors shall not be less than three and not more than seven directors unless any increase in such maximum number is expressly agreed in advance by Board approval.

20. **DIRECTORS**

20.1

20.1.1 Each Investor shall be entitled to nominate and appoint one person to act as a Director of the Company from time to time. The current Investor Director appointed by STI is Ivar Aune. The current Investment Director appointed by COP is John Hand.

20.1.2 A Seed Investor Majority shall, for so long as it holds Shares in the Company, be entitled to nominate and appoint one person to act as a Director of the Company from time to time. The current Seed Investor Director is Robert Lyons.

20.1.3 The Investors and the Seed Investors may mutually agree upon the appointment of a director that shall be a member of the management of the Company. If appointed, such a director shall be the Management Director.

20.1.4 If there are two or more Investor Directors appointed from time to time, the Investors and the Board may mutually agree upon a new non-executive, independent Director which Director shall be the Independent Director.

20.1.5 The other Shareholders shall not vote their Shares so as to remove any Director appointed pursuant to Article 20.1.1 or 20.1.2 from office.

20.1.6 An Investor shall be entitled to remove its Investor Director from office and appoint another person to act in his place.

20.1.7 The Seed Investor Majority shall be entitled to remove its Seed Investor Director from office and appoint another person to act in his place.

20.1.8 The Board shall be entitled to remove the Management Director from office and appoint another person to act in his place.

20.1.9 The Board shall be entitled to remove the Independent Director from office and appoint another person to act in his place.

20.2 Any appointment or removal of an Investor Director, a Seed Investor Director or a Management Director under Article 20.1 shall take effect at the time that the notice is received at the Company's registered office or produced to a Board meeting.

20.3 Each Investor Director and Seed Investor Director shall be entitled to be appointed to any committee of the Board established from time to time.

20.4 Each Investor shall be entitled to appoint one person to act as an observer to the Board and to the board of any subsidiary of the Company. Each observer shall be entitled to receive notice of and

attend and speak at all such board meetings and at any meeting of any committee of any board and to receive copies of all board papers and minutes of meetings as if he were a Director, but shall not be entitled to vote on any resolutions proposed at any board meeting.

## **21. DISQUALIFICATION AND PROCEEDINGS AT MEETINGS OF DIRECTORS**

21.1 In addition to the provisions of Regulation 81 of Table A, the office of Director shall also be vacated if:

21.1.1 he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his office should be vacated; or

21.1.2 in the case of Directors, other than the Investor Directors and the Seed Investor Director, if a majority of his co-Directors serve notice on him in writing, removing him from office.

21.2 Notwithstanding any provision of these Articles to the contrary, any person appointed as a Director may appoint any person he thinks fit to be his, her or its alternate Director. The appointment of an alternate Director shall not require approval by a resolution of the Directors. Regulation 65 of Table A shall be modified accordingly.

21.3 Unless otherwise agreed by a majority of the Directors, meetings of the Board shall take place at least once every two months and at least six times each calendar year. At least ten Business Days' advance notice of such meeting shall be given to each Director and to each observer appointed under Article 20.4.

21.4 To be quorate, any meeting of the Board shall be three Directors, including the Investor Directors (save where an Investor Director indicates that he is satisfied a meeting proceed without his attendance in which case a quorum shall be deemed to be formed without the presence of such Investor Director). Regulation 89 of Table A shall be modified accordingly. If the necessary quorum is not present within half an hour from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed.

21.5 Any Director who participates in the proceedings of a meeting by means of a communication device (including, without limitation, a telephone) that allows all the other Directors present at the meeting (whether in person, alternate or using a communication device) to hear that Director at all times, and that Director to hear all other Directors present at the meeting (by whatever means) at all times, shall be deemed to be present at the meeting and counted in the quorum. A meeting held by these means shall be deemed to take place where the largest number of participants is assembled. In the absence of a majority, the Chairman's location shall be deemed to be the place of the meeting.

21.6 A Director may vote at a Board meeting, and form part of a quorum present at that meeting, in relation to any matter in which he has, directly or indirectly, an interest or duty which conflicts (or may conflict) with the interests of the Company, provided that he has previously disclosed the nature of such duty or interest to the Directors. The provisions of Regulation 86 of Table A shall apply equally to any disclosure to be made under the provisions of this Article 21.

21.7 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 shall not have a second or casting vote.

21.8 A chairman of the Board may be appointed by a majority of the Board (with the approval of the Investors) by notice in writing addressed to the Company.

## **22. DIRECTORS' INTERESTS**

22.1 Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his

interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:

- 22.1.1 where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;
- 22.1.2 where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
- 22.1.3 where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a Parent Undertaking of, or a Subsidiary Undertaking of a Parent Undertaking of, the Company;
- 22.1.4 where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested;
- 22.1.5 where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested;
- 22.1.6 where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this;
- 22.1.7 an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- 22.1.8 any other interest authorised by ordinary resolution or by Investor Consent.

22.2 In addition to the provisions of Article 22.1, subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, where a Director is an Investor Director or Seed Investor Director he may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest arising from any duty he may owe to, or interest he may have as an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or direct or indirect investor (including without limitation by virtue of a carried interest, remuneration or incentive arrangements or the holding of securities) in:

- 22.2.1 a Fund Manager;
- 22.2.2 any of the funds advised or managed by a Fund Manager from time to time;
- 22.2.3 any Investor or any Member of the same Group as any Investor; or
- 22.2.4 another body corporate or firm in which a Fund Manager or any fund advised by such Fund Manager has directly or indirectly invested, including without limitation any portfolio companies.

22.3 For the purposes of this Article 22, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his.

- 22.4 In any situation permitted by this Article 22 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.
- 22.5 Subject to Article 22.6 any authority given in accordance with section 175(5)(a) of the Act in respect of a Director ("**Interested Director**") who has proposed that the Directors authorise his interest ("**Relevant Interest**") pursuant to that section may be given on such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175 (5)(a) of the Act and, subject to Article 22.6, an Interested Director must act in accordance with any such terms, conditions or limitations so imposed.
- 22.6 Subject to Article 22.7 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 22), if an Investor Director or Seed Investor Director, otherwise than by virtue of his position as Director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:
- 22.6.1 to disclose such information to the Company or to any Director, or to any officer or employee of the Company; or
- 22.6.2 otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director.
- 22.7 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest.
- 22.8 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 22.1 or Article 22.2 at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest:
- 22.8.1 falling under Article 22.1.7;
- 22.8.2 if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
- 22.8.3 if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles.
- 22.9 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 22.
- 22.10 For the purposes of this Article 22:
- 22.10.1 a conflict of interest includes a conflict of interest and duty and a conflict of duties;
- 22.10.2 the provisions of section 252 of the Act shall determine whether a person is connected with a Director;
- 22.10.3 a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified.



23. **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.

24. **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.

25. **INDEMNITY**

25.1 Subject to the Act, but without prejudice to any indemnity to which a director may otherwise be entitled, each director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a director or other officer of the Company or any company that is a trustee of an occupational pension scheme (as defined in section 235(6) of the Act) in the actual or purported execution and/or discharge of his duties, or in relation thereto including any liability incurred by him in defending any civil or criminal proceedings, in which judgement 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 duty or breach of trust in relation to the Company's affairs.

25.2 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.

26. **DATA PROTECTION**

26.1 Each of the Shareholders and Directors (from time to time) consent to the processing of their personal data by the Company, its shareholders and directors (each a Recipient) for due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually.

26.2 The personal data that may be processed for such purposes under this Article 26 shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Other than as required by law, court order or any regulated authority, that personal data shall not be disclosed by a Recipient or any other person, except:

26.2.1 to its Parent Undertaking;

26.2.2 to Subsidiary Undertakings of that Parent Undertaking ("**Recipient Group Companies**");

26.2.3 to employees, directors and professional advisors of that Recipient or the Recipient Group Companies; and

26.2.4 to funds managed by any of the Recipient Group Companies.

26.3 Each of the Shareholders and Directors (from time to time) consent to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient, both within and outside the European Economic Area, for the purposes stated above, where it is necessary or desirable to do so.